

GUNBOAT DIPLOMACY • THE KING IS BACK

CANADA'S WEEKLY NEWSMAGAZINE MARCH 20, 1995 \$3.50

Maclean's

SHIFTING GROUND

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THE WORLD,
THE OLD RULES
CRUMBLE



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CANADA'S WEEKLY NEWSMAGAZINE
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PHOTOGRAPHY: (Top) AP/Wide World; (Middle) AP/Wide World; (Bottom) AP/Wide World. Illustration: (Top) AP/Wide World; (Middle) AP/Wide World; (Bottom) AP/Wide World.

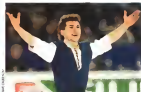


Shifting ground

28 The constant movement of capital around the world and wild swings in foreign exchange rates reflect some profound shifts in the international balance of power. The traditional dominance of the sovereign state is being tested by the proliferation of multilateral trade agreements and by the globalization of capital markets. And currency traders and foreign creditors frequently have the ultimate control over corporate fortunes and government policies.

Gunboat diplomacy

10 Angered by the refusal of European nations to stop fishing off Newfoundland's Grand Banks, Fisheries Minister Bruce Tobin ordered a Spanish fishing vessel seized at gunpoint. It could be the opening shots of a full-scale fish war.



The fall of an Ottawa empire

16 The bankruptcy of Ottawa developer Joat Perre has provided tantalizing glimpses into a complex business empire. Court documents show that Perre made substantial payments to Liberal Senator Pierre De Baul and to a company connected to the family of Canada Post chairman Georges Clément.

The world at his feet

45 Defending champion Elinor Skofstad arrived at the 1999 World Figure Skating Championships in Birmingham, England, to find people wondering if his injured ankle would hold up in competition. They need not have worried. The ankle, like Skofstad's unfathomable spirit, proved too strong for the rest of the world once again.

PHOTOGRAPHY: (Top) AP/Wide World; (Middle) AP/Wide World; (Bottom) AP/Wide World.

LETTERS

Taxing burden

Reading your cover story on the rapidly increasing tax burden imposed on middle-income Canadians, I was immediately concerned by its attack on the rich attitude ("The middle class blows away," March 6). That is the problem with our country: instead of encouraging individuals to work harder, the more someone earns, the more is taken away to "reward" those who are less hardworking.

Alison Clever,
Toronto



I wish to assure the rest of the country that not all Albertans are as neo-spiritual or self-serving as Jason Kenney and his Canadian Taxpayers Federation. Although I strongly share the goal of a balanced budget, I would prefer to see it done with some increased taxes, along with a reduction in government spending through more effective programs. Some of us in Alberta still remember what we learned in kindergarten: we like to share.

Berry Watkins,
Calgary

I do not and cannot feel sorry for the accountant who owes \$35,000 a year. I am a federal government clerk, my gross salary is \$25,500. There are roughly three million people in this country earning between \$25,000 and \$35,000. What I read smokes like this one, I feel as if I do not care.

Harriet Barnes,
Ottawa

Striking back

Here are a few of the more blatant inaccuracies in Mike Fotheringham's "A tale of two veterans' columns" (March 6). The *North Shore News*, which employs me as a columnist, is not a small West Vancouver weekly. It is published in North Vancouver three times a week. Further, I am not "reduced" as writing for it. It has more guys than 10 Romanesque St. It got the title of my book wrong. And although I was in Bomarc, I was not in the States when the Americans bombed it. As a kid in their lowest low level unit, "All-man killing" me. He says I have become notorious for my "shareholdership" of such nuts

supply the capital it needs" should read "requires a partner" who is able to supply capital. This is of great importance to us as we are currently searching northwest for such a partner.

Murray R. Zapp,
President, Marulito
Russo-Gee Corp.,
Saskatoon

Cost of liberty

I am appalled at Barbara Ansel's column on the so-called loss of liberty in Canada ("On liberty, Larry King and drinking alone," March 6). I have returned to Canada after living in the United States for 50 years, where there is the perception that smaller government creates greater freedom. To that I say yes, freedom to buy a gun, freedom not to afford health care and freedom to live in constant fear of violence from those who have nothing left to lose.

Ang Sky,
Toronto

as Ernst Zundel." But it is free speech that I champion, not Zundel! In the end, the Supreme Court of Canada sided with me.

Greg Collier,
West Vancouver

Role reversal

Your article "Jailhouse shock" was astounding (Canada, March 6). The prisoner at the centre of the article about quitting a riot at Kingston's penitentiary for women was in jail for armed robbery during which "she repeatedly stabbed a man, pinioned to cut off his penis and beat him with a baseball bat." She then was one of eight women who took part in a riot, in which a guard was taken hostage, another was stabbed with a syringe and fires were started. Now, she wants to sue Corrections Canada, seeking damages for grievances including assault and battery and unwanted touching. Prisoners should be not mistreated; there has to be accountability. But let's get our priorities straight and stop making victims out of violent criminals. There are enough real victims already.

Jean Giesse,
Aylmer, Que.

Partner wanted

In the article "Changing the face of the firm" (Business, March 6), we would like to point out that the quote "MBR is profitable now but so expand, it required a partner who is able to

Border dispute

Clearly, you considered phony Quebec crossings for the map in "The nation's say No" (Cover, Feb. 27) about attempted resistance to separation. The southern Labrador-Quebec border, established in 1875, is straight, following the 52 degrees north latitude from a line drawn north from the St. Lawrence at Blanc-Sablon. Despite Quebec opposition, it has never been altered.

Susan Faldy,
Montreal, 1994

CORRECTION

Two charts in the March 13 issue of *Maclean's* contained incorrect information concerning the national debt and interest payments on the debt. In fact, the federal finance department forecasts that the national debt will increase from \$270.5 billion in 1995-1996 to \$503.1 billion in 2005-2007. And interest payments on the debt are projected to go from \$49.5 billion in 1995-1996 to \$64.7 billion in 2005-2007.

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Extract rock from ground. Separate metals. Add garlic.



just what is a mining company doing in a fine restaurant? To tell you the truth, just about everything, the dicing, slicing, steaming and frying. Because nickel,

Because the nickel and other metals inco mines and produces find their way into all kinds of everyday things, such as television remote controls, thermostats,

our main product happens to be a key ingredient of stainless steel.

compact discs and mobile phones.

And stainless steel, as the chefs among us know, makes for perfect cookware and utensils. It's hygienic and won't transfer food's taste or odour. Which is why it's been welcomed into so many establishments, including your home.

Now, we're not likely the first thing that comes to mind when you use any of these items. But that isn't the point. We've never concerned ourselves all that much with becoming a household name. We've been busy enough becoming a household necessity.

But stainless steel isn't the only product we're involved with that's familiar to you.

INCO

STRONGER FOR OUR EXPERIENCE

OPENING NOTES

A DALI OF AN AUCTION

Before her death last October at the age of 84, who was known the world over for her wealth, her glib wit, and her eclectic lifestyle, Lady Evelynbark, born Maud Augusta Christalwood, was married to two

items recently sold on sale.

• A 20cm by 33cm Salvador Dali watercolor of an angel head behind a framed photo portrait of Sir James Dali, signed by the artist and his wife, Gail (S24,000).
• A print of *The Madonna of Port Lligat*, signed and dated by Dali (S24,000).
• A Dali sketch of Sir James Dali bearing the inscription "For Lady Dali" (S8,000).
• An invitation to the 1924 coronation of Queen Elizabeth II issued to Sir James and Lady Dali (S2,000).

powerful New Brunswick industrialists. His good friend Sir James Dali, who died in 1966, and Maud Arfina, Lord Beverbrook, who passed away one year after their wedding in 1963. Few residents of St. Andrews, N.B., ever got a glimpse of Danyenark, but recently, after her sprawling estate, The Madonna, with 11 bedrooms and a cinema, is up for sale for \$11 million. And in her will, Lady Evelynbark stipulated that six copies of the auctioned off with the money going to charity. Some of the



The Madonna of Port Lligat proceeds to charity

THE PUCK STOPS HERE

Enthusiasm over the Quebec Nordiques' recent on-ice performance—the Quebec City franchise was sitting atop the NHL standings last week—has been dampened somewhat by a questionable call in the bathroom. Team management conducted a phone poll that the Nordiques' City's largest daily newspaper, conducted on March 3. "Are you in favor of public funds to save the Nordiques?" Marcel Aubin, team majority owner and president, has said repeatedly that he will sell the Nordiques if he does not receive "substantial" public funding for a new 18,000-seat arena.

The \$70-million project, while 1,200 were in favor, but Nordiques management put forward a second question: "Are you in favor of the creation of a lottery or a cruise to save the Nordiques?"—which Le Soleil agreed to pose. Sixty per cent of 1,200 respondents chose "lottery" and "cruise," but a leaked internal memo reveals that Nordiques executives agreed their 33 office employees to participate in the poll. "If the Nordiques leave Quebec," explains Nordiques spokesman Jean Martineau, "we will be the first ones affected." Besides, adds Martineau, who says he does not know how many employees obeyed the memo, "30 people couldn't make that much difference." Talk about skating on thin ice.



Aubin requesting 'substantial' funding

CIVIL SURFING

Just what are the civil themes of these surf ing the Internet? The answer is at once colorful to many people, including three prominent computer scientists at universities across Canada, who last year founded Electronic Frontier Canada. They want to ensure that the principles enshrined in the Charter of Rights and Freedoms are protected.

Daniel Jelinek, a professor at McMaster University in Hamilton who is one of the group's leaders, says, for instance, that electronic mail should be regarded as confidential in a letter or telephone call.

Some recent legal disputes, however, indicate that the jury is still out on the issue of cyberspace monitoring. In an Ottawa case, justice Ken Scott-Hamilton, 48, was asked for three weeks before Criminal Justice Services cleared him of making a confession of his wife. He had posted a Usenet query in an online gun discussion group asking about supplies for gun powder and bullets on behalf of a friend with a gun collection. In another case, officials at the University of Guelph (Ont.) voluntarily handed records of computer protocols to police overlooking charges of unauthorized use of a computer and mischief. Charges against one individual were withdrawn when a university report acknowledged that anyone could have been the culprit, because passwords were widely shared. But the constitutionality of the university providing computer correspondence without a search warrant was never determined. Jeff Blodgett, a computer lawyer in Ottawa, is watching.



It is an old-fashioned version of multi-tasking. Instead of working on several computer projects at once, some Canadians have several books on the go at any time. Michael's asked a couple of them about their multi-reading.

Vicki Gabor: Wincover based host of CBC Radio's afternoon program *Gabor's*.
Current readings: *The Pig* by Andrew Gower, *The Canadian Encyclopedia*, and *Made in America: An Informal History of the English Language in the United States* by Bill Bryson.
Comments: The Pig simply reminds me of a friend and was left behind. I take with it, and now I find it is a "tag" novel—people are talking about it. It's a little novel about a Scottish boy



growing up and his grandmother's pig. The Encyclopedia is by my bed. It's always there. I read it every day.

Berry Benavente: Halifax-based advertiser and endurance driver

Recent readings: *Turkey: The Rough Guide* by Rosie Ayling, *More Dishes and John Gower's The World of Storm* by Colin Garrett, *Impossible Journey: Two Against*

the Sahara by Michael Asher.

Comments: *Storm* *Readings* is about a lost world. It is perfect reading for a Virgo with a physics degree—the last word on storm mythology. In *Impossible Journey*, an Englishman on his dreams of crossing the Sahara desert with a camel and his Kallo wife.

A CHICKEN IN EVERY POT, EH?

It is now official: the first candidate to challenge 1992 Clinton's nomination for reelection as the Democratic party's candidate in the 1996 U.S. presidential race has thrown his hat into the ring. He is David Duncanson, a professor of history at the University of Winnipeg who holds dual U.S. and Canadian citizenship.



Duncanson arguing for socialism

Duncanson, a self-proclaimed "liberal Democrat," says that he plans to run in early February's New Hampshire primary as "a serious candidate, with a serious purpose." His goal: to

force Clinton, whom he sees as increasingly susceptible to right-wingism, to return to his party's liberal roots—including the "democracy, compassion and fairness" championed by former Democratic presidents from Franklin Roosevelt to Jimmy Carter. Like Clinton, the Springfield-derived leader of three years that he has smoked marijuana and avoided the Vietnam War through draft deferments. But unlike the incumbent, Duncanson—who grew up on a farm in Landell, N.H., and moved to Winnipeg in 1970—says that living in Canada has shaped his political outlook on such matters as gun control and universal health care. "I was horrified that that decision by Jean baby Duncanson, a professor of history, was misinterpreted," he said. Duncanson "I would like to say, 'Of course, it is a matter of ongoing discussion in Canada as society, but, in reality, every political party from the far right to the far left supports it in its essence.' The United States could learn a great deal from Canada." He left the chair.

Edited by BARBARA WICKHAM

POP MOVIES

The cinema in Canada started according to box office receipts during the seven days that ended March 6 (the weekend number of admissions follows):

1. <i>Lost in the House</i> (R) 14	\$407,700
2. <i>Just Dance</i> (R) 12/13	\$342,000
3. <i>Johnny</i> (R) 11/12	\$330,400
4. <i>The Brady Bunch Movie</i> (R) 12/13	\$325,200
5. <i>Phat Planet</i> (TV) 12/13	\$303,100
6. <i>Personal Jesus</i> (R) 12/13	\$281,500
7. <i>Remember Me</i> (R) 12/13	\$267,000
8. <i>Looney Tunes: Back in Action</i> (R) 12/13	\$261,800
9. <i>Shy Madison</i> (TV) 12/13	\$226,600
10. <i>Willy Wonka & Chocolate</i> (R) 12/13	\$218,700

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BEST-SELLERS

FICTION

1. *The Christmas Playbook*, James Hervey (C)
2. *Politically Correct*, Barbara Storr, James Fennell (C)
3. *East, West, Home Sweet Home*, John Gower (C)
4. *Myriad Madness*, John Gower (C)
5. *Ball Game*, Jonathan Edwards (C)
6. *Open Season*, John Gower (C)
7. *Remember Me*, John Gower (C)
8. *Johnny*, John Gower (C)
9. *A Shining of Strangers*, John Gower (C)
10. *The Goring*, John Gower (C)

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NONFICTION

1. *On the Table*, John Gower (C)
2. *Politically Correct*, Barbara Storr, James Fennell (C)
3. *The Woman Who Wasn't There*, John Gower (C)
4. *An American in Mexico*, John Gower (C)
5. *Myriad Madness*, John Gower (C)
6. *Remember Me*, John Gower (C)
7. *Johnny*, John Gower (C)
8. *Johnny*, John Gower (C)
9. *Johnny*, John Gower (C)
10. *Johnny*, John Gower (C)

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PASSAGES

INED: Michael Jordan, 32, his 13-month attempt at a professional baseball career ended with a surprise announcement that the former NBA superstar would return to the Chicago Bulls. Jordan, who earned more than \$60 million in endorsements last year and \$14,000 as a minor-league baseball player in the Chicago White Sox organization, said the contract with major-league baseball was "a little more than I need"—and it's eight months—makes it impossible to "continue my agreement as a satisfactory job."



After his surprise announcement from the Bulls in November, 1993, Jordan, who practiced with his former team for last week, was back at his top training camp and had become an international celebrity. He led the Bulls to three consecutive NBA championships before his retirement.

AWARDS: The \$2.5-million 1995 Templeton Prize to British-born physicist and writer Paul Davies, 48, for his contributions to religious thought and science by a major prize that included *Globe and Mail* and *Maclean's* in New York City. Established by investor Sir John Templeton in 1979, the annual award recognizes individuals who have advanced public understanding of God or spirituality. A central theme in Davies' work is the advances in science help belief rather than detract from a belief in the existence of God.

RECOVERIES: U.S. boxer Gerald McClellan, 27, who was on his last support after suffering brain injuries in a Feb. 26 super-middleweight title bout in a London hospital. Doctors who removed a massive blood clot from his brain said McClellan is no longer in critical condition after beginning to breathe for himself.

WOLFE: Italian director Franco Zeffirelli, 72, "substantial" damages against the British British film magazine *Screen International*, which alleged he was a fascist. Zeffirelli, elected to the Italian Senate in 1976 as a member of former premier Silvio Berlusconi's Forza Italia party, said he would give the money to the Bishop of Catania to be used for charitable purposes in Sicily.

DEED: Edward Deming, 168, known as the father of public relations, at his home in Cambridge, Mass. After a long illness, Deming, 168, passed away peacefully. Deming, who was a pioneer in the study of statistics and quality control, was a member of the American Statistical Association and the American Society for Quality Control. He was a member of the American Statistical Association and the American Society for Quality Control.

Company's Due In 15 Minutes And There's No Time To Make Dessert... What Do You Do?

Take a Sara Lee cheesecake from the freezer and cut it into six portions. Melt dark, bitter-sweet chocolate and drizzle it onto individual plates. Place a slice of the smooth and creamy cheesecake on each one, then add fresh fruit as a garnish.

Your own rich and delicious chocolate swirl cheesecake, ready in minutes.

When the company arrives, tell them you've done something extra special for them... as usual!

Me and Sara Lee

Sara Lee



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AN AMERICAN VIEW



In defence of affirmative action

BY FRED BRUNING

Here's a question for those unhappy white American males who complain affirmative action gives blacks an unfair advantage: How about changing places?

If those guys really believe it suddenly is such a great thing to be black in the United States, let them move to the other side of the tracks and report back in six months. Let them get steamrolled by real estate agents and roughed up by cops. Let them try to find the landlord some night when the radiator is stone cold, and let them walk the rain-soaked streets and ragged halls of black America. Once accustomed to their new surroundings, let them write who knows about "reverse discrimination" hand for a decent job—something that does not involve the charitable of ground beef or the spooning of someone else's toilet. See how widely the doors of opportunity swing open. See just what kind of an America gives you the chance to be a nobody. This is your lucky day.

White people love to torture themselves with the belief that when a black presents himself at an employment office, the door is slammed, doors tremble with excitement, black white applicants and the door, takes the battered new arrival to lunch at a five-star restaurant, and then to the executive health club and eagerly agrees to his starting date. Of course, the black individual is allowed to sit her salary and dictate terms of his benefit package. Then, someone runs out and leaves him a note, and says, the guy is on his way to wealth and power, and all because he has had the incredible good fortune to be born black in America!

There is a similar version of the story for college admissions. In this case, mediocre black kids from around the country are being welcomed into places like Harvard and Yale while all the nice, bright white students are told, sorry, better check availability at

If whites really believe it is great to be black, let them move to the other side of the tracks and report back in six months

the community college. This must be true because if you go to Cambridge, Mass., or New Haven, Conn., and walk around Harvard and Yale, all you see are blacks high-fiving one another as they shuffle to class in Stoughton Oval and 320B anatomy.

The whites? The only whites around are pushing lawnmowers or serving chicken a la king in the cafeteria, or shoveling on street cars the wretched winter things went wrong. How such a miserable overrepresentation of American society took place without even a single person noticing is not easily explained, that there it is in the workplace, so the university campus and somewhere else you would care to look, blacks are in the driver's seat, and all thanks to the crazy idea called affirmative action.

And for this, we have largely to thank that redneck sexual reformer Lyndon Baines Johnson. The old Texas maverick had more faith than anyone in an affirmative, but Johnson has a popular heart, and it was clear to him that despite a heap of rhetoric about equal rights, America wasn't coming across with the goods. So Johnson decided to give the country a little advice on the matter of guaranteeing to minority citizens op-

portunities they were supposed to have at the first place. "You do not take a person—white or black—who has been hobbled by discrimination, bring him to the starting line of a race and then say, 'You are free to compete with all others,' and still justify because you have been completely fair," LBJ observed.

Johnson favored an approach that gave minorities special consideration under certain circumstances—how else would the cycle of discrimination be halted?—but not until Richard Nixon (himself) was president did affirmative action become law. Almost immediately white men began screaming that blacks and women were taking over the world, that "quotas" were un-American and that the old kind of affirmative action should be reversed—the sort that benefited white men.

Were there times under the new rules when regulations were stupidly enforced, or when a highly qualified white man lost a job or a promotion or a college acceptance to a less able black or female? Of course, but it was not the case in the beginning, nor is it the case now, that minorities hit the jackpot at the expense of white America. This is a fantasy fed by politicians trying to control votes, and the brains of right-wing radio hosts, yes, a number of terrible—some black—who say affirmative action has unfurled its quackness. Even the usually reliable Richard Cohen of *The Washington Post* monument he is withdrawing support. "Affirmative action obscures individuality," said Cohen. "It now probably does more harm than good."

Pretty if Americans agree with Cohen's assessment. Next year, Californians likely will vote on a referendum that would outlaw racial preferences, and analysts predict affirmative action will be a major issue in the 2000 presidential election, too. That means trouble for Bill Clinton who does not want to jeopardize support with traditional civil rights advocates, but also from those same alienated white men who supposedly headed the backlash victory in 1994. "The worst has turned," said Thomas Haddad, one of two academics pushing the California initiative in the name of what they say is racial equality. Wood results being passed over for a teaching job because he was a white male and says he wants to spare students a whitey treatment. "We've gone to get a step in this," he declares.

Meanwhile it might be well for Wood to meditate on a recent episode at the University of California at Berkeley where 15 minority students received fines for the "loving effect." "Stupid, you crazy buggers," his affirmative action snarl. "When I see you in class, it bugs the hell out of me because you're taking the seat of someone qualified." Such are the greatest sentiments often attending the discussion of race in America, that the "oppressed" white majority misses the point. Whether distributed the finger opportunity was admitted in Berkeley despite racial preferences policies that whites find objectionable. So maybe we should take a hard look at affirmative action, after all. As the dove proves, the program could use some tightening up.

Fred Bruning is a contributor to *Newsday* in New York.

GUNBOAT DIPLOMACY

Canada fires the first shots in what may become an all-out fish war with Europe

It is a sleek-headed barracuda—an unadorned fish with ugly, naked eyes that Canadian supermarkets can hardly give away. Not the sort of prize, then, that would normally be expected to bring two nations to the verge of open warfare on the high seas. But last week, as the long-simmering battle flared between Canada and Spain, it was this unassuming, almost invisible creature, a kind of machine-gun fish and the scum of a Spanish fishing vessel, that became obvious that these are not ordinary times. Unseen, after all, had finally broken down from Atlantic Canada's fisheries and politicians its steel hull and foreign overfishing at the moment Newfoundland. The week may have ended as a diplomatic stalemate with Spanish trawlers (intending to resume catching haddock in the Bay of Canada's 200-mile fishing zone) and Fisheries Minister Brian Tobin promising more boat seizures if they did. But his own strength, at least for the moment, harnessed the presence of a minister whose department is itself in need of a sort of haddock victory.

In a way, Tobin's bold response actually carried little political risk. Foreign Affairs diplomats in Ottawa may have bristled with horror at his allegations of gunboat diplomacy. But in his home province of Newfoundland, where 90,000 fishery workers have been put out of work by unemployment as well as depleted cod and haddock stocks, he won universal praise for a tough stance against foreigners who they say are being pillaging fish in Canada's backyard for the past five years. Presumably, the 15-country European Union

EU, of which Spain is a member, accused Canada of "piracy" and flouting international law by interfering with fishing boats outside Canada's 200-mile limit. And in truth, experts say that Ottawa has clearly stepped into uncharted legal waters with its destroyer approach. For, for the time being at least, Ottawa did not seem to have considered legal nuances. "It's not the mark of a pirate," declared Tobin. "To reach out, in defiance, to take the last fish stock, it's the mark of a pirate."

In fact, at week's end, as the seized Spanish ship *Estia* and its crew were being escorted to St. John's by Fisheries and Canadian Coast Guard vessels, Ottawa was determined to stick to its guns—and it appears to want effect. According to Tobin, 14 other Spanish vessels and a dozen Portuguese trawlers had withdrawn well beyond the 200-mile limit on the Grand Banks. He threatened further arrests if the European vessels resume fishing in a zone just beyond Canada's 200-mile limit (in parts of the Grand Banks) in the same and said the ship warned that Canada was only prepared to resume working a negotiated settlement with the EU as long as its member states agreed to honor a 200-mile maximum as fishing limit in the disputed waters.

The Europeans have watched Canada draw a line in the sand before. Much of the blame for the ravaging of cod and other North Atlantic fish stocks during the late 1980s and 1990s has fallen on foreign



The *Estia*, the ship's captain, European David Cougle (left) a dramatic chase, machine-gun fire and ship's seizure led by a self-styled 'avenging angel of conservation'

fishermen—even though domestic overfishing and internal market changes are almost certainly bigger issues. European diplomats to frustrated East Coast fishermen have tried to persuade Madrid, London and the United Nations to limit foreign fishing on the Grand Banks, for centuries the world's greatest fishing grounds. Always though, the Europeans refused to listen. Brian Tobin, the self-styled 'avenging angel of conservation' who seems determined to reverse Canada's reputation for passivity when it comes to international threats to its own fisheries—and to reverse his own department's dismal record of failing to order quota cuts for cod and other fish species until stocks had fallen to dangerously low levels.

Tobin had shown in the past that he was ready to back up his tough words with action. Last June, he shipped a \$1,500 for an US salmon fishery, warning the coastal waters off British Columbia—a move that helped convince the Americans to resume negotiations on a new Pacific salmon treaty. Then, in August, Tobin ordered the seizure of two US scallop ships fishing in Cana-



dian waters in the process, he forced the American government to concede Canadian jurisdiction over offshore waters on the continental shelf off Nova Scotia.

His latest target: Spanish fishery trawlers catching haddock on Newfoundland's Grand Banks. Canada, actually, is not the first country to tackle Spain's fleet, which has a long-established reputation for ignoring international regulations and ravaging other country's fishing grounds. When the southwest African country of Namibia was independent in 1990, one of its first moves

was to declare a 200-mile coastal limit and kick out the Spanish boats depleting the fish stocks off its coast.

Unfortunately, those same boats set sail for the west known as the Grand Banks. Since the bulk of the Spanish fleet arrived in 2001, its trawler catches have averaged roughly 50,000 tons a year. Newfoundland fishermen, by comparison, limited to just 1,000 tons last year, which raised fears about the future of one of the last remaining West Coast fisheries that has not been closed because of depleted stocks.

Ottawa thought it had resolved the problem when the Northwest Atlantic Fisheries Organization (NAFO) set a 1995 quota of 2,400 tons for EU boats, compared with 16,300 tons for Canada. Trouble is, Spanish and Portuguese fishermen, and they are needed to be more. Their governments, through the EU, have challenged the NAFO quota. In the mean time, the fleets of EU boats operating off Newfoundland have been busy and, by Canada's reckoning, caught 1,000 tons of haddock in the first two weeks of 2005.

On March 3, Ottawa called for a 60-day moratorium on trawler fishing while Canada and the EU resolved on the quota question. After EU officials ignored that request, Tobin decided it was time for some saltier rhetoric.

"Any government worth its salt must act to avert the disappearance of another stock from the planet Earth," he declared during a news conference on March 6 in which he announced that Canada intended to seize what he called "pirate" ships fishing trawler off the east coast.

The trawler mentioned, the *Estia* (seized) to send over warnings to protect its interests, and rumors circulated through the media that the Canadians were using *Terra Nova* had been dispatched to enforce the NAFO quota. Prime Minister Jean Chrétien tried to defuse the situation through diplomatic channels, by telephone conversations with several European leaders, that talks failed which he refused to continue negotiations with European Union president Jacques Santer and the Spanish and Portuguese ships fishing in the disputed area had pulled in their nets and gone home. "You don't negotiate with a knife to your throat," a senior official in Chrétien's office said. Moreover, "You don't do what they are fishing out the stock."

So Ottawa decided to up the ante. Last Thursday, a department of fish and oceans patrol vessel carry on a team of RCMP and fisheries officers cut through the icy water towards the Spanish vessel *Estia*. When the first boarding attempt failed, the Spanish crew cut their nets and fled. For four hours, the two vessels played hide-and-seek in the banks of thick North Atlantic fog. The chase ended when the Canadian ship fired a burst of machine-gun fire across the *Estia*'s bow. Then, the seized boat was towed towards St. John's, where the shipper faces charges under Canadian fisheries conservation laws and the crew will likely be held in custody.

The European appeared to be caught off guard by Canada's sudden hard line, but once in its emergency meeting, Deputy EU ambassadors called the arrest of the *Estia* "a blatant act against the sovereignty of a member state of the European Union." Spain demanded a neutral vessel ship to the area off Newfoundland to provide when the research or visitors unilaterally cancelled plans to join a previously negotiated scientific co-operation pact with Canada. And EU ambassadors told the European Commission—the EU's executive body—to draw up a list of potential retaliatory measures against Canada recently. "The EU excludes nothing," said EU spokesman Josep Velasco Alvarez.

Now for Tobin and Canada are willing to push the issue remains uncertain. For now, at least, the fisheries minister is talking modest. He says he has made his ground in the face of threat before—particularly by the United States, which once threatened action when he took strong steps against overfishing. "The government has fully informed the consequences and the reaction

to the level of measures we've taken," Tobin told Melesek. "There is no surprise here on our part." Chretien also expressed firm resolve. Naming that he personally approved the procedure to give the Estuaire-Industriel fishing access, the prime minister told a provincial Liberal convention in Winnipeg that "we've done it for conservation purposes and we're done. Of course, if you do nothing, nothing will happen and all the species will disappear."

In the past, however, Canada has been anything but vigilant in protecting its own fishing stocks. Long before Tobin's Conservative predecessor, John Crosbie, announced a two-year moratorium on northern cod fishing in 1982, Atlantic fishermen were complaining of fewer and smaller fish. And just last week, a report issued by another former fisheries minister, John Toner, scolded the department of Fisheries and Aquaculture of bureaucratic ineptitude and failure to live up to its constitutional responsibilities to protect the \$400-million-a-year West Coast salmon fishery—adding for which Tobin himself probably took full responsibility.

In fact, coincident as Tobin sounded last week while doing battle with the Europeans, Canada is clearly breaking new legal ground by trying to take control of fishing grounds beyond its 200-mile limit. Technically, under

international law, questions of conservation involving fish stocks beyond the 200-mile zone are the jurisdiction of the home country of the fleet involved, in this case Spain. Portugal and the other EU nations.

But many experts say that if this dispute went to court, it would be complicated by a provision in the United Nations law dealing with fish stocks like the newly ratified, which sets the boundaries of more than one fishing zone. In such cases, disputes are supposed to be worked out through consultation between the countries involved or under the direction of regional organizations such as NAFO. The trouble is that the convention's

provisions say nothing about what happens when both parties fail, as they clearly have in the East Coast haddock dispute. "Then one," says David Vanderhoeft, director of the marine and environmental law program at York University's Osherson School, "seems to fall between the cracks of international law."

At week's end, the situation was volatile. The unpopularity of the Spanish fishing fleet within the EU may mean that there are strict limits to how far other European countries are willing to go in a dispute with Canada. At the same time, if the tense standoff continues for long—or if the EU acts on some of its threats—public support could wane within Canada. John Cummins, the Reform party's federal fisheries critic, thinks Canada's best bet would be to "eat some cows" and wait for some sort of independent arbiter to settle the dispute. But last week, at least, Tobin showed little inclination to heed such advice.



Tobin's quick tongue owes to lack of self-confidence

JOHN DE MONT is Tobin's chief of staff. **ROSEMARY CARAGATHA** is Ottawa and **DAVID WALLACE** is London.

in Canada's and to pass on the costs of ice-breaking and other services to those who benefited from them. The letters, signed from 1960 to 1986, showed that he had not just a quick tongue, but

also persistence and an ability to master the details of policy and legislation.

Those who know him well say there is a subtlety about Tobin that becomes apparent when he talks about the importance of his family and his wife, Jordan, a nurse, (five children), and his agent that he never learned to play piano. "One of the greatest gifts you can give to yourself is the ability to make music," he told Melesek last week. "I'm sorry those who can do that—just have some quiet time and make some music."

With his quick sense of humor, an ever-ready quote, and media savvy learned in the trade, Tobin was an Opposition natural. But when he created surprise in Ottawa last week on the way he has adopted to government, Bill, the stage of the shift did not surprise him. He had become frustrated, he says, with the one-dimensional politics of criticism and wanted a chance to solve problems. He has grown in the office, colleagues say, and his shrewdly impressive political skills have improved. Those are those in Ottawa who see another John Chretien, and Chretien himself is said to have a lot of love for his fisheries minister—even to the point of letting him take the country to the brink of an armed showdown.



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Brian Tobin makes his mark

From political novice to opposition firebrand to minister at the Grosse Pointe, Brian Tobin has never stood accused of being timid. The Newfoundland fish and fisheries minister who has led Canada to the brink of a fish war with the European Union has been criticized as brash, slick—even of fervor at times—but in the 15 years he has been in Parliament, Mr. Tobin has made a mark for himself that tells of both his ardor and his savvy.

To those who watched him last week explain with posture and bluster how he was going to get tough with the Spanish fishing fleet, and subsequently explain exactly how he did get tough with the Spanish fishing fleet, his most obvious skill is his ability to make a point. "The Spanish fleet is not particularly beloved anywhere it operates," he noted, while accusing fleet owners—both pointedly and the fishermen—of ravaging fish stocks wherever they roam. Back home on the island of Newfoundland, Barbouille Verre, on Newfoundland's west coast, it's called the gift of the gills, a shell nourished by seawater's long salt meditation. He is, at a major Liberal, one of the best communicators in Jean Chretien's cabinet.

Tobin's abilities have propelled him close to but not yet into the inner circle of Liberal politics. For while students say he has im-

pressed them with his handling of the other last week, he was not given the latitude that a more senior minister might have been given. And yet Tobin was a good enough politician to make his limitations and not stand at the beach.

Tobin, who turned 49 last October, was first elected in 1982 at age 25, and was quickly spotted by Pierre Trudeau's talent scouts as a valuable rookie. He was given a coveted spot on the joint Senate-Commons constitutional committee and was appointed parliamentary secretary to two fisheries ministers. Even as a freshman MP, Tobin had as much of self-confidence. When Trudeau was looking for a Newfoundland cabinet minister in the early 1980s, Tobin was publicly afraid that anyone might think him too inexperienced.

But it was his time in Opposition that brought Tobin, a former television news anchor and reporter at CBC in St. John's, to national prominence as a member of the Liberal "rat pack," along with now-Deputy Prime Minister Brian Mulroney. Tobin and the others drove Prime Minister Brian Mulroney and his Tories to distraction. Reeled out of the Commons for a day in 1985 for calling Mulroney a liar, Tobin also dented plans by then-transport minister Don Mazankowski to overhaul legislation governing shipping

Pedophile alert

Should potentially dangerous ex-cons be exposed?

The 3,000 residents of Elkford, a coal mining town in southeastern British Columbia, thought their safety was secure. They were wrong. The town's life that had been much larger centres. It was the land of community where people left their doors unlocked and let their children run unrestrained in local playgrounds and walk to school alone. But all that changed in late February when residents learned that Roger Borgeson, 39, a convicted child molester who had recently been released from prison in Alberta, had returned to Elkford, where he had contacted his first known sexual offender 11 years ago. Suddenly, parents, seeing strange criminals could be seen patrolling the playgrounds, and small children were being paired with high-school students for the walk home. About half a dozen women set up duty pickets outside the house where Borgeson now lives with his parents. Among the picketers was Sandra Sebel, a mother of two young children, who often laments to the Borgeson family home. "My kids are growing up in the shadow of a pedophile," says Sebel. "We're already nervous, all of us here."

Ultimately, Sebel and many of her neighbours say they would like to drive Borgeson out of town—even though they recognize that they would just be shifting their problem to another community. In fact, that is exactly how the repeat sex offender ended up in his road. Borgeson was released from the Borden Institution in central Alberta in Jan. 27 after serving a full five-year sentence for molesting seven children in the Lethbridge area—some as young as two years old. He initially settled in Edmonton. But once his identity and place of residence were publicized by the media and police, Borgeson found himself besieged by picketers, some of whom suggested that he should take his own life—or they would do it for him. In the end, Borgeson—who is lease-damaged due to complications from a childhood operation and has only a Grade 3 education—decided to accept an offer by Alberta social services of a housing unit in Elkford. Sebel says she does not want Elkford to follow Edmonton's example, but she feels that town has little choice. "I know there are a lot of offenders up the world, but they are not living in my back yard," she says. "This one is."

The Borgeson case sharply illustrates the dilemma faced by local residents, community groups and co-ordinated police who potentially dangerous offenders have served their time. It is possible to strike a balance between public safety and the former prisoners' need to get on with his life? And if offenders are to be identified, what can be done about the regulations that so often excuse? The questions are all the more urgent in the case of pedophiles, for whom there is no known cure and whose re-arrests are far more likely to re-ignite than other types of criminals. And federal and provincial authorities across Canada are scrambling for answers.

One of the leaders is the Conservative government of Manitoba, which last month became the first province to initiate a formal process for identifying sex offenders. Under the plan, an advisory committee of public officials, police officers and justice department representatives will review the



Borgeson picketers in Elkford, B.C., say the community is in danger of exposure.

cases of sex offenders who are to be released. When provinces are deemed likely to re-offend, the advisory panel will suggest a course of action, ranging from informing the offender's previous victim to a full-blown public alert. The final decision is up to local police chiefs, and the province has agreed to defend the chiefs against any lawsuits that may result from citizens claiming that their privacy rights have been violated or that they have suffered damages because of some extreme response by the community. According to Manitoba Justice Minister Rosemary Wasylyuk, the initiative is needed because many Manitobans have lost faith in the justice system. "People need to feel safe," she says. "People need to feel like victims all the time."

Several other provinces are weighing similar options. Within the next few weeks, Ontario Solicitor General David Crompkinson hopes to move picketers for the province's 110 police forces to sue when they are faced with what he calls an "extremely dangerous sex offender." Asked why sex of-



fenders should be singled out for such treatment, Crompkinson told *Maclean's* that "the straight-up answer is that we're dealing with our kids. As Canadians, I don't think we can feel any more protective than we do about our children."

But to Jim MacLachlan, executive director of the Ottawa-based John Howard Society of Canada, politicians appear to be preying on public hysteria about crime. MacLachlan,

whose group offers support to former sex offenders, fears that identifying sex offenders will put such pressure on them that they will fail to seek treatment and to resist to society. "I see nothing helpful in this at all," he says.

Certainly, Borgeson's experience shows the intense scrutiny that follows when the public becomes aware of a pedophile in their midst. In Edmonton, the co-ordinator's whereabouts were first disclosed by the Edmonton Star, which printed his picture and address and ran a series of stories on his crimes and movements in the city. Edmonton police, who originally had no intention of publicly identifying Borgeson, responded to the reports by directly visiting his neighbours. There was always concern for his own. According to National Parole Board records collected in October, 1993, and again in September 1994—just four months before his release—Borgeson still fantasized about molesting small children, and was considered a very high risk to re-offend. But the sex offender got out on his own, with Borgeson being freed from out-of-control crimes and, on at least one occasion, attempting to take his own life.

Borgeson faces similar hostility in Elkford. At a town hall meeting held by the RCMP and attended by about 300 people, one resident stood up to declare that Borgeson should be put out of town. The statement drew applause and shouts of approval—as well as a stern warning from Cpl. Rich Weiss that he would not tolerate any hostile action.

As in Edmonton, Borgeson's movements in Elkford are restricted by a court order prohibiting him from coming into physical contact with anyone under 16. In a town as small as Elkford, observes Weiss, that makes him "basically a prisoner in his own home." By last week, Borgeson and his family were declining to give interviews, his mother, Shirley, told *Maclean's* that they hoped the uproar would die down if they kept quiet. Earlier, Borgeson had told reporters that he deeply regretted his past crimes and that he wanted the chance to prove that he could lead a normal life.

But the recent goes so sympathetic from Rosemary Wasylyuk, who spearheaded the policing of his home and whose own daughter, now 17, was one of his first victims. "When people say they're a victim, I believe it, but I always had a number of second chances," says Tharion. "A dog that bites gets two chances and it's just done." To many residents of Elkford, that is no better than Borgeson deserves.

BRAND BERGMAN

Ms. law and order

Manitoba's justice minister tough on crime

During Rosemary Wasylyuk's teenage years, her father was steadily rising through the ranks of the Manitoba police force, including stints as chief of the holiday squad, chief of the homicide division and head of criminal investigations. "I saw what his work was," recalls the 45-year-old Wasylyuk. "I was in the newspaper, we had a lot of it at the time of the night and day. I grew up in a family that saw these [crime] issues as very important." And since being appointed Manitoba's minister of

the number of crimes—including everything from sex thefts to murder—committed by young people. And it is in this area that Wasylyuk, the mother of three teenage children, has directed most of her efforts. She has convened a summit on youth violence and established a "watch list" that allows Winnipeggers to phone in confidential information on youth gangs. She has introduced a strict new program for offenders serving probation or provincial sentences, including early release on call, daily checks, community service and year-round schooling. ("There aren't any holidays when you're serving time") is a lower-level court order of probation. And she continues to press federal Justice Minister Allan Rock for even tougher amendments to the Young Offenders Act, including more mechanisms for dealing with children under 12 who commit heinous crimes.

Wasylyuk has advocated a pro-law approach on other fronts as well. At a recent meeting of federal and provincial justice ministers in Ottawa, she urged Rock to adopt a "reverse news" provision during bail hearings that would require those accused of striking to justify why they should be released pending trial. (Rock rejected the idea.) She has also vowed to crack down on parents who refuse to pay child support by, among other things, suspending their driver's licenses and without their joint holdings and get on their backs.



Wasylyuk: "The public wants to feel protected."

None of Wasylyuk's efforts particularly impress her political opponent, Manitoba justice critic Gord Mackay. Mackay says that the provincial police force's tough government, who worsened the conditions that bred crime, including child poverty and high unemployment. Wasylyuk's overall response, he adds, has been "superficial public relations stunts that are aimed more for election purposes than dealing with the complex issues of crime in this province."

The politician's daughter was unimpressed by suggestions that she is simply pandering to public fear about crime. "I believe we have to listen to the public," she says, adding that her critics "have more faith in the size of statistics than in victims." It is the type of rhetoric that has earned Wasylyuk newspaper headlines and kudos from law enforcement officials. And, for now at least, she shows no signs of changing course.

Of particular concern is the dramatic rise in

B-8

The fall of an Ottawa empire

BY STEVIE CAMERON

Perhaps the best-known Ottawa builder José Perez should have thought twice before he moved into Robert Campeau's former office and written himself behind Campeau's old desk. But Perez may have been dreaming of Campeau's glory as the most successful developer in Ottawa during the 1970s. Despite Campeau's crash into a \$20-billion bankruptcy in 1990, Perez could not have foreseen his own spectacular business collapse last fall, a \$200-million failure that is not only one of the biggest bankruptcies in Ottawa history but one that has focused attention on a number of local officials—including Liberal Senator Pierre De Bouché and Georges Clement, the chairman and president of Canada Post Corp.

Based on the sweeping stacks of documents generated by a five-year lawsuit and recent bankruptcy hearings are copies of cancelled cheques and company records showing more than \$200,000 paid by Perez to De Bouché's Ottawa consultant firm from 1988 to 1994. They also show at least \$50,000 paid to a Clement family company between 1986 and 1992, the period during which Perez was negotiating with Canada Post to build its new Ottawa headquarters. Other records also show that Perez's company gave \$30,000 in donations to Prime Minister Jean Chrétien's 1994 campaign for the Liberal leadership, and between Nov. 14, 1991, and May 29, 1992, a set of three cheques totalling \$6.3 million to Mitsuiport Ltd., a mysterious company based in London with

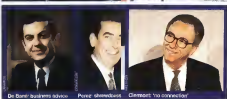
connections to a Caribbean tax haven. They are tumbling elephants into a complex and secretive business empire that is barely slowly unravelled in an Ottawa courtroom.

The bankruptcy court also has heard several hours of testimony about various payments by Perez to De Bouché's consulting company, for example, collected \$50,000 a month from Perez for seven years and cancelled cheques show that he was paid \$80,000 on June 18, 1991—just days after Canada Post executives approved the headquarters contract—and a further \$25,000 on Aug. 11, 1992. The last invoice to Perez was dated April 30, 1994,

during questioning in the bankruptcy hearings. De Bouché, a cabinet minister in Pierre Trudeau's governments of the 1970s and early 1980s, forcefully denied that the payments had any connection to the Canada Post contract. He also testified that he had as "total understanding" with the developer to introduce him to potential partners and identify business opportunities. "I acted as legal adviser, as a business adviser and also to give him my opinion about what I would call broad questions because he was very keen on understanding the broader issues," De Bouché told Chuck Gaskie, the Toronto lawyer acting for the bankruptcy receiver, accountants Deloitte & Touche.

Last week, De Bouché's Ottawa lawyer, Adrian Hewitt, issued a statement to *the Star* on the senator's behalf, saying that he provided "legal counsel and business advice" to Perez for eight years. But he added, "I am quite specific, that I was not involved in anything affecting Canada Post. At no time did I ever represent Mr. Perez or his companies in transactions that he has entered into with any level of government in Canada." De Bouché said he received \$80,000 in fees from Perez in return, plus a total of \$113,000 in consultation fees and expenses.

Clement, a lawyer and vice president of Canada Post until he succeeded former president Donald Lander as president in January, 1992, and chairman last June, has not yet appeared before the hearing. But, like De Bouché, he denies any impropriety in the payments made by Perez to a company that was established at the name of his son, Jean Clement. The company was called Sticksman Fisheries and was based in the Clement house on Thorndike Drive in Deseronto, a suburb of Ottawa, from July, 1988, until February, 1992, when the Ontario government's consumer affairs department issued a registration as a business been cancelled by the company. During that time, Jean Clement was living at home with his parents. Perez company records show a



payment of \$25,000 made to Sticksman Fisheries on Nov. 8, 1992. Just over a year later, on Nov. 22, 1993—20 days after the Canada Post headquarters contract was signed—Perez signed a cheque to Sticksman Fisheries for \$29,000. Then, on Nov. 25, 1993, Jean Clement sent an invoice to Perez for \$20,000, the bill said that it was to sponsor a Toronto 1608 car race. He was involved in, and to pay running expenses on Jean Clement's race car.

Georges Clement last week issued a statement to Canada Post employees denying that he had benefited from any payments made

by Perez and saying that Perez paid the money to sponsor his son's career as a racing car driver. "I want to assure you that there is no connection between my son's affairs and my divisions at Canada Post," Clement said. "I have always held to the belief that honest people can separate their private and public lives—and I have governed my own professional career in line with this belief." Clement ended his statement that Perez's name appeared in large letters on his son's car as a sponsor, as well as in progress and promotional material "for the world to see."

Internal records of Perez's development

company, Prebencorales, also show greater involvement in many charities and to both the Liberal and Conservative parties, as well as three payments to the Chinese leadership campaign totalling \$38,000. Gary Daniels, director of communications at the Prime Minister's Office, said last week that Perez was "only one of thousands of donors" to the 1990 campaign. And Daniels pointed out that Chrétien had released the names of all the donors to his leadership campaign, although not the amount of money each gave.

Among the most puzzling payments in the Perez records are the three he made to Mitsuiport Ltd. One, for \$1.2 million, was signed on Nov. 14, 1991, when eight days of the closing of the Canada Post project. Two other cheques were issued to Mitsuiport as 1992: one, for \$25,000 was paid on May 4, 1992, and the other, for \$30,000, on May 29, 1992. The cheques were deposited at the Hong Kong Bank in Montreal. Who or what is Mitsuiport? Its head office was set up in London in 1986, but lawyers tracking the company during the Perez bankruptcy lawsuit discovered that it was also registered in Dublin as June 6, 1991.

The Canada Post project was awarded to Perez on June 30, 1991, after four rounds of bids. "Mitsuiport has Channel Island directors, and its shareholders are two companies

Canada Post headquarters in Ottawa: a 10-year lease

registered in Toronto in the British Virgin Islands." Lawyers involved in the bankruptcy proceedings have been unable to trace Mitsuiport's own crisp further. But since 1989, the company has owned a luxury condominium on Avenue Street in Montreal, valued by city tax assessors at \$580,000. Montreal businessman Jean Lacombe lives in the condominium and says he has done business with Mitsuiport for several years, but he refused last week to say who the owners are. Reached at his Ottawa office last week, Perez said he was too busy to discuss his business affairs at that time.

One priority in his attempt to rebuild his business empire, an immigrant from Spain who was employed by Campeau as a construction worker in Ottawa during the 1970s. Perez has long been a passionate member of Ottawa's business community. Preoccupied by a private war of ambition, drama and shrewdness, Perez turned the modest home-building company he set up in the early 1960s into a multinational developer of companies with at least 41 subsidiary or affiliated companies. He wanted to win big federal construction contracts, and courted powerful politicians as part of his strategy.

But Perez always played both sides of the fence. During the Mulroney years, Perez made many friends among the Tories in Ottawa, including Brian and Miki Mulroney. But he was closest to Senate Speaker Guy Charbonneau, one of the most powerful men in the party, who acknowledged in a 1994 interview that he had been unable to help Perez be confirmed for the two biggest federal contracts the Conservative government had to offer as the capital city was the new \$200-million Canada Post headquarters complex, and the other was a \$60-million contract for the National Gallery's new wing, an anchor tenant in the city's historic Chalmers Building. Perez was both concerned and

Perez's projects were highly leveraged and depended on deferred loan credits and banked last plays. He needed fully financial backing to carry off his grand ambitions, and over the years he made a mosaic and partners in such projects. One was Toronto developer Brian Laid, which put \$120 million into a new building company called Prebencorales. Some other firms—now at bank money protection for the second time in four years—included in Perez in 1989, the company began to unravel. Perez's empire was especially after it discovered that Perez was using Kinross money to finance his other businesses. To calm the fires of his worried

partner, former chief David Sestrook, a former executive of Hertz International Bancorp Inc., in November, 1990, to help restructuring Perre's business. "Just asked me to come and help," recalls Sestrook, now a postgraduate theology student in Dallas. "He said we could be the most powerful men in Canada, and he'd brought millions of dollars in front of me." Sestrook arrived as vice-president and chief operating officer of Perre's empire and was soon replaced by the state of the company's finances. Today, Sestrook says he advised Perre to declare bankruptcy at that time, but he refused.

Perez continues to seek new contracts from the federal government

One day in January 1991, before top office officials had chosen the contractor for the new headquarters, says one former Perre employee, one of Perre's senior officials arrived at a meeting in the company's offices with secret Canada Post documents outlining a consulting bid from Aesop Development Corp. Ltd., an Ottawa company acting in partnership with Toronto developers Olympia & York, as well as papers detailing the post office's assessment of deficiencies in the Perre bid. Perre was able to improve his bid and win the contract, which gave him a 30-year federal government lease worth, according to a Canada Post spokeswoman in 1993, \$13 million a

year. "We're only giving five-year leases now," said one civil-law government official in Ottawa who is looking carefully at the whole Perre affair. "That lease is extraordinary." Canada Post spokesman John Cairns and the terms as stated is not accurate, although he acknowledged that the post office spokeswoman released it two years ago. At the same time, though, he said he could not say what the actual contract was.

By last summer, it had become clear that the Perre companies were so deeply in debt that bankruptcy was inevitable. Court documents reveal that, while his main company, J. P. Corp., had debts of \$85 million and was offering its creditors \$200,000 to settle, Perre was offering another \$200,000 to settle personal debts of \$94.5 million. As for Bionardo, an \$170-million investment had also been put in properly, a major factor in the publicly traded company's woes. In December, with 30 creditors fighting for what remained of his empire, Perre filed for bankruptcy. That move was triggered, Perre said later in court, by a lawsuit launched in October, 1990, by his Spanish investment partner, but by business on Alonso Morilla, who sought \$10 million they claimed he owed them.

Now focusing his attention on Perre's

efforts to reorganize his companies, bankruptcy court lawyer Gault claims that the developer has tried to protect his assets from the bankruptcy trustees by transferring the ownership to others. In 1992, for example, Perre transferred the ownership of several of his companies to the Gosselin Family Trust set up in Spain in 1986 in his mother's name, because so many of his companies are now held under that trust. Perre is carrying on a business claiming that he does not own or control them. In 1990, Perre transferred his personal assets to his common-law wife, Diane Scarb, who had been his secretary for several years. The personal assets include his house in Niagara, Ont., and a 1988 Ferrari Testarossa worth \$95,000. Perre has denied under oath that he was trying to shield any of his property from bankruptcy trustees.

While lawyers and accountants wade through the tangled web of Perre's business history, the justice department has continued to lobby Public Works Minister David Dregalla with ideas for future contracts. Dregalla has made no commitments to Perre, and last week his aides called the bankruptcy court for a full set of documents on the case. "These matters happened during the prime ministers' government," said Dregalla. "We're not sure we're settling the file very closely." So far, Perre has not received any new government contracts, and while he waits, the Spanish investors are grumpy persisting their query through the courts. □

Canada NOTES

B.C. ALLEGATIONS

British Columbia Premier Michael Harcourt came under fire on two fronts. First, his government's justice minister, Robin Benson, reneged his portfolio—but not his cabinet seat—pending an independent investigation into allegations that he sexually harassed a former female staff member. Then, the B.C. conflict-of-interest commissioner announced that he will investigate more than \$8 million in personal government contracts given to an old friend, headed by Ron Johnson, a key architect of Harcourt's 1991 election victory. Liberal Leader Gordon Campbell demanded that Harcourt resign, but the premier refused.

DANGEROUS OFFENDERS

Solicitor General Rick Gray introduced measures aimed at expanding the flow of information contained in the national police computer system about the criminal history of dangerous offenders. Gray said that by sharing such information Crown attorneys across the country will be able to argue more convincingly at the time of conviction that highly dangerous repeat offenders should get longer sentences.

BANNING THE CAMERAS

Ontario Court Justice Patrick LaSalle refused to hear an application by the *Ottawa Citizen* to believe Paul Bernardo's first-degree murder trial, saying that the request would have disrupted the already long-drawn-out case even further. Lawyers for Bernardo, who is charged with the sex slayings of two Ontario schoolgirls, said that they may make their own application for cameras in the courtroom.

BAD BLOOD

A prominent American AIDS epidemiologist, Dr. Don Francis, had a federal inquiry that up to 80 per cent of the Canadians infected with the AIDS virus through tainted blood products at the end 1980s could have been spared if the Red Cross had only postponed distribution of their ten-year-old plasma donors. Francis, a researcher with the San Francisco-based Institute for Gay, Lesbian, and Bisexual Health, was the first doctor to alert U.S. officials in 1982 that AIDS could infect the blood supply.

A COSTLY STRIKE

About 1,000 workers at a lucrative casino in Mississauga, Ont., went on strike to back their demand for a bigger cut of the casino's profits. Christine Windsor, which opened last May, attracts about 14,000 customers daily—most of them Americans—who gamble an average of \$14 million a day, most of which goes to the Ontario government.



DEATH FOR A KILLER WHALE: Animal rights activists renewed demands that the Vancouver Aquarium return its whales to the wild after the death of Wilfred the killer whale died within 10 minutes of birth. It was the third time that Russia had failed to successfully breed in captivity.

Separatist damage control

Quebec Premier Jacques Parizeau, returning from a 10-day Montreal vacation, attempted to quell recent demands from some separatists that the referendum on Quebec sovereignty—which the Parti Quebecois leader has repeatedly promised will take place this year—be delayed until the Yes forces can be assured of victory.

Declaring once again that the vote will take place in 1995, Parizeau also said that he had no intention of including in the referendum question any reference to a continuing political association between an independent Quebec and the rest of Canada. He did not, however, rule out including a reference to an economic association, as had been suggested by Bloc Quebecois leader Lucien Bouchard during the premier's vacation.

Parizeau admitted there has been some confusion as to the meaning of "There is no doubt there has been some amount of disorder," he said. He also acknowledged that the 50-per-cent sovereignty consultation the government created to boost support for independence did not achieve that goal. The government is now

hoping that debate in the National Assembly on a revised version of its draft bill on Quebec sovereignty will rally supporters. That debate could begin by late April or early May, with a referendum vote coming as late as June.

Westray bombshell

Crown attorney Mark Chisholm stunned a courtroom in Petrolia, N.S., when he demanded that the presiding judge in the Westray case trial step down and declare a mistrial. Chisholm said that a recent telephone call made by Justice Robert Anderson to the head of Nova Scotia's public prosecution service had created a "massive apprehension of bias." According to Chisholm, the judge had questioned the competence of the lead prosecutor, Herman Fidlerhut, and said that he should be removed from any role in the trial of two former Westray mine managers charged with manslaughter and criminal negligence related to a May 5, 1992, explosion at the mine that killed 29 men. Anderson was to hear the Crown's arguments for the mistrial motion early this week.



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■ Zedillo inspecting troops (left);
Mario Ruiz Maturín in custody in
New Jersey, a reversal of fortunes

Indeed, *The Washington Post* last week quoted an unnamed high-level government official as saying authorities had evidence indicating that Raul Madero and other prominent Maderistas accepted bribes worth tens of millions of dollars from international drug trading cartels operating in Mexico during the Salinas administration. While Raul Madero was in Mexico from May to November of 1986, Raul Madero was Mexico's first case. The report, though unconfirmed, appeared to be the most dramatic indication yet that drug traffickers had infiltrated the country's political system, a charge widely reported in the months before now began "I'm not surprised," said Mexico City political analyst Alonso Lujambio. "We all know there were links between politicians and drug traffickers."

Investigators are now trying to determine whether Ron Minner's alleged drug ties could have played a part in his brother's

Messia is already under investigation for allegedly depositing the supposed bribe money into the former deputy's Houston account. An official in the federal controller's office is being sought for questioning about a business dispute with the slain Jew. The same official is also wanted in connection with an alleged disappearance of \$175 million from a government agency run by Ron Soble.

The apparent connection between drug traffickers and government officials might give authorities leads in the recently reopened investigations of two other high-profile assassinations during the Salinas administration: While several alleged conspirators have been detained in the murder of PUS presidential candidate Luis Donaldo Coloma, who was gunned down during a Tijuana campaign rally in March 1989, the motive for the killing remains a mystery. And authorities initially concluded that the May 1990 death of Roman Catholic

from the widespread perception that Salinas was not the historic political reformer he made himself out to be. Opinion polls show that most Mexicans blame Salinas for the country's devastating economic crisis, and that they are happy to see the scandal bring him back to earth. "People want him brought to justice, for whatever reasons," said Jeff Weldon, a political analyst at Mexico's Autonomous Technological Institute.

The aerialist has also given voters something to cheer about during Zedillo's rocky first 100 days in office, which have been marked by a constant flow of bad news. Last week, finance minister Guillermo Ortiz announced the government's long-awaited 1995 economic plan, which features harsh measures to combat the economic crisis that has sent the peso plunging to record lows and the stock market drop by 27 per cent since the beginning of the year.

The country plan is designed to please the International Monetary Fund and the United States, which spearheaded a \$70-billion international economic rescue package for Mexico last month. The new economic plan calls for a tight monetary policy and a federal budget surplus, leading the government to cut public projects according to 10 per cent, raise gasoline prices by 30 per cent and increase the country's tariff added tax to 15 per cent from 10 per cent. The special measures were announced by President Carlos Salinas de Gortari, who said the government would also launch a job creation program and a debt restructuring program for small businesses. But the bottom line was bleak. Mexico's GNP will shrink by two per cent, and inflation will hit 40 per cent this year, predicted Olin.

The announcement immediately boosted Mexican offerings on the New York Stock Exchange and sparked a price rally at work's end. "It's a very orthodox free-market gist," said an analyst at a Mexico City brokerage house, who did not want his name used. "The government didn't succumb to the temptation to use populist measures to overcome the crisis. It was the best they could do under the circumstances."

Morales's crisis has been fuelled in part by the simmering standoff between the army and leftist Zapatista rebels in the southern state of Chiapas. Searching for a way out, legislators approved a bill last week that could result in a general amnesty for the rebels if they agree to negotiate with the government. The Zapatistas, however, said they will not meet with authorities until the army withdraws from towns it took during a largely bloodless offensive in February.

Despite the country's dire economic and political outlook, Mexicans appear enthralled by the almost-daily revelations that are surfacing in the Raul Montes case. Polls show it is the only area in which they think Zedillo is doing a good job as president. And in a country that has long lost faith in its notoriously corrupt and inefficient justice system, that is not a bad start.

SCOTT MORRISON is Mayor of

WORLD

BLOOD TIES

Two homicide acts, Mario Rios Mares, was hailed as a Mexican hero. The bold, third-party attorney general shocked and delighted his countrymen when he publicly accused his boss and two ruling party leaders of obstructing his investigation into the September, 1994, assassination of his brother, José Francisco Ruiz Mares, the second-in-command of the Institutional Revolutionary Party (PRI). His stunning accusations, followed by his abrupt resignation, were so convincing that many Mexicans believed Ruiz Mares had uncovered the most spectacular scandal in the country's recent history. What they did not know at the time was that Ruiz Mares would soon become a key suspect in a sordid saga of drug trafficking, murder and corruption.

Raul Madero's surprising reversal of fortunes began late last month when Mexican authorities arrested prominent businessman Raul Salinas, the elder brother of former President Carlos Salinas de Gortari, and

A widening murder scandal claims a onetime Mexican political hero

charged him with plotting and financing the murder of the politician. But within days, investigators began suggesting that Ramo Massieu had covered up Raúl Salazar's involvement in the assassination. After a six-hour interrogation, Bure Massieu fled to Houston and was later arrested at Newark airport in New Jersey where he was about to board a plane to Madrid. U.S. customs

agents charged him with failing to declare \$93,000 he was carrying in cash.

An *El Financiero* source was being held without bail at New Jersey, customs officials revealed last week that some \$3.2 million was deposited into two of his accounts at a Hong Kong bank last year. And the administration of President Ernesto Zedillo Pousa de León said that it was looking for other bank accounts the former law-enforcer might have in the United States. The government also froze Raul Naranjo's Mexican bank accounts and began extradition proceedings to return him to Mexico where he faces charges of animal abuse, drug smuggling and falsifying evidence to protect his family, the source broadly hinted.

Manzanillo, Naranjo's home, and the United States would argue for political asylum on the grounds he has been persecuted in Mexico.

The revelations fueled speculation that the \$9.8 million came from the powerful Gulf of Mexico drug cartel, operating out of the northeastern coastal state of Tamaulipas.

unwilling. Paul Salinas had also long been linked by traffickers and journalists to drug cartels, and many of the 34 suspects arrested in the murder case are from Tamaulipas, including fugitive FBI legislative Marshal Marco Rocha who has been charged with plotting the abduction with Salinas.

The Gulf of Mexico cartel is the most powerful of the nation's two major drug trafficking organizations and is considered the main Mexican conflict of South American cocaine, heroin and marijuana destined for the United States. Last week, the Federal Bureau of Investigation put the cartel's alleged boss, Juan Garcia Albeiro, on its Ten Most Wanted Fugitives list. Garcia Albeiro—who was born in Texas, became trafficking and money-laundering charges led by a Houston court in 1993.

Mexicans, who have been following the developments with keen interest, are waiting for other prominent officials to be caught in the widening dragnet. A key aide of East

between real drug gangs. But many Mexicans were openly skeptical of that fiction.

Zedillo's decision to publicly pursue the cause bore a long-standing understanding: the PRI, which has ruled Mexico for 69 years, that presidents never sack officials who are perceived as corrupt. Analysts agreed, and many Mexicans hoped, that Zedillo would set the legal system to take on bullwinks in the PRI who oppose his reforms. But a source in the president's office said that while Zedillo, who succeeded Salinas as president last December, was reluctant to letting the law take its course, he was not trying to purge the ruling party's powerful fiefdoms. "It is not about cleaning up the past, it is about cleaning up these crimes," said the official, who spoke in Mexico's capital, where Zedillo is still in his honeymoon with the public.

At the very least, the investigations have tarnished the Salinas administration, even if the former president has not been personally implicated. The rat boy's uncovered con-





WORLD

A white male backlash

Critics attack affirmative action as reverse discrimination

Carly Watendorf is a white 30-year-old student taking a "really cool" environmental course and training to be a U.S. Air Force officer in the south-west Virginia college town of Blacksburg. Robert Clay 40 is a black construction contractor who has been getting "each other business" on recent years in the roaring Maryland city of Baltimore. The Blacksburg student and the Baltimore builder have one thing in common: both owe their progress in part to U.S. affirmative action measures and regulations that require federally funded educators and employers to give women and racial minorities a fair chance at career success. But a long-simmering white male backlash and at least shelves of such programs are now generating an explosive political debate with racial conservatives. Republican legislators are leading a charge to undo or amend 30 years of laws that helped children of Waterford and Clays to breach America's long virtual closed shop for white men, but left others behind.

Against the backlash by affirmative action is a rising chorus of arguments—and lawsuits—that reflect the progress for producing reverse discrimination suit costs to the economy. Critics deny the wide reach of what the Congressional research service describes as "a host of federal programs to increase minority and female participation as contractors or subcontractors on federally funded projects." Last week, the Senate voted a case against tax breaks on the sale of broadcasting companies to minority investors, a law that the House of Representatives earlier voted overwhelmingly to repeal. Attacks on what President Bill Clinton calls "a big

REPORT FROM
WASHINGTON
BY CAROL MOULDS

on" for women, blacks, Hispanics and native Americans all had edged onto the Republican push to slash social welfare as part of an austere Contract with America in last November's congressional elections. And despite a plea by Clinton to invade the issue from party politics, conservative Washington Times columnist Richard Grenier was one of many analysts to conclude that "preferential treatment issues have over the 1990 presidential election."

Indeed, the leaders in the early morning for the Republican presidential nomination—Sen-

ate Minority Leader Robert Dole of Kansas, Texas Senator Phil Gramm and former Texas attorney general Lamar Alexander—all stand for an end to successful law. Only days after the Republican conference declared their priorities during early campaigning in New Hampshire last month, Democratic Clinton joined in the debate over affirmative action. "We shouldn't be defending things that we can't defend," he said on a Feb. 29 news conference during the presidential visit to Ohio. "So it's time to review it, discuss it and be straightforward about it."

The next day, California Gov. Pete Wilson was certainly straightforward, declaring: "Let us begin to undo the corrosive substance of reverse discrimination." Wilson himself a possible presidential candidate, endorsed the position for a 1996 re-election to expand the state's affirmative action laws. Other such California initiatives—notably the Proposition 13 tax rebellion in 1978 and the anti-gay Proposition 187 last fall—erected powerful veto effects in national politics. In California, where 35 in 100 residents is black, more than state million Hispanics, at least four million from the Asia-Pacific region and 2.5 million blacks, Wilson said that

Proven ally: Dole gives minorities and women a boost for career success

"we will not confer like group preferences. We will not lower standards."

And in Texas last week, Republican State Senator David Sibbey introduced a similar measure. He argued that white Texans are "vulnerable third parties who have not discriminated against anybody" but are denied opportunities because of their color. In contrast, Maryland's Democrat Gov. Parris Glenderson proposes to increase the share of state contracts awarded to minorities and women.

In Washington, it was Dole who took the lead towards what he maintains will be "a color blind society" when free of race-based policies. Three days before Christmas, 13 days before he became Senate leader, Dole asked congressional researchers for a list of every federal statute and rule "that grants a preference to individuals on the basis of race, sex, national origin or ethnic background." Two months later, he got a list of 139 items. They flow from three civil rights acts of the 1960s outlawing racial discrimination in accommodations, voting and employment, and from the women's

equal rights movement in the 1970s. That body of law's purpose is to redress centuries of wrongs by not only creating a discrimination against the segregated, but also denying their positive opportunities.

Even before the report was in his hands, Dole began to make clear his position—and political success. In a national TV interview on Feb. 5, he raised a question and answered it. "What did all part of white males vote for problems in 1990?" It's the case of things like this where sometimes the best-qualified person does not get the job because he or she may be one color." At

the annual Conservative Political Action Conference days later, he made himself perfectly clear. "The government has often said that the most important thing about you is the color of your skin or the country of your fathers," he said. "That's wrong, and we should fix it."

But, 71, first elected to the Senate in 1980, the year of the civil rights bill guaranteeing racial discrimination in housing sales and rentals, this proved himself a leading role as a major commentator in the contact with America. Many students in many camps responded by House Speaker Newt Gingrich. Dole's initiative inspired a willing House to intervene in the work on Contract with America and to take affirmative action. He also set campaign agendas for his presidential rivals, including Clinton.

Picking that issue into the political arena roused Republican guru William Kristol. In a memo to the party, he scolded that the new Congress had done nothing to change people's lives—and affirmative action hurt about the same. Then, he crowed: "The audacity, willingness, even courage, of American politicians to challenge what was not even remotely unchallengeable—racial preferences—is a clear sign of how completely November's Congressional election has altered our national landscape."

For as solid as Dole, Congress picked as may target. A rule denying capital gains tax to the sale of broadcast companies in racial minorities brought his words to the principal players in media giant Viacom Inc.'s court plan to sell a cable-TV property to a company led by a black investor. The House voted 361 to 44—excluding most Democrats—in rejecting that rule.

Dismissing other leaders of the program may be harder. An ugly episode of evasion involving the debate occurred last month on the University of California campus at Berkeley in the midst of a protest drive for a special referendum there deferred to 15 black students at Berkeley's law school advised: "Rejector

you explicitly suggest—it's affirmative action month. When I see you in class I tug the hell out of my knee because you're betraying the best of someone qualified." That sparked a racial campus protest only against the merit rule.

To Carly Watendorf, born after the civil rights crusades of the 1950s and a child during the women's equality campaign, there may be little remarkable in her campus life among other women and other races. But she is a woman from Blacksburg's liberal Virginia Polytechnic Institute and State University since enrolled as a woman,

and that the air force officer training corps that provided her scholarship grant flows all male in 1988 to 20 years ago female and male national corps commander visited Virginia Tech and "that was really neat," said Watendorf, because the top officer is Brig. Gen. Susan Pieraccini. "It's equal," she said, "at least in the air force."

But for Baltimore builder Robert Clay, the political debate to roll back affirmative action for racial minorities is a bop. Even now, he says, minorities do not receive a fair share of economic opportunities. He says the majority white race seems to be "we did it, we did enough, we can do away with it, and we can have a color blind society." Without affirming it by law, there is no law to enforce it, he says. There is no law, says Clay, and "let me tell you, racism is alive and well in America." □



Dole: 'In color-blind society'

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World NOTES

AMBUSH IN PAKISTAN

Germans attacked U.S. consulate staffers as they were being driven to work in Karachi, killing two of them and wounding a third. U.S. counterterrorism experts are reportedly focusing on a theory that the attack was revenge for last month's arrest and extradition of Osama Ahmed Yousef, the alleged mastermind of the 1993 World Trade Center bombing in New York City. But Karachi has been convulsed by a wave of sectarian violence that has killed some 300 people this year.

VOTING FOR DEMOCRACY

In Hong Kong's last municipal elections before its 1997 return to China, pro-democracy parties triumphed over free-pro-Singapore rivals. But celebrations were tempered with awareness that China plans to abet all elected two of government set up by Britain at the end of its 150 years of colonial rule.

MAFIA HITS

At least nine people have been killed in Mafia-style slayings in Sicily since Feb. 25, a killing spree that prosecutors say may be aimed at stopping mobsters from leaving state's evidence. Information from Tomcatos has led to numerous charges against leading figures, including former prime minister Giulio Andreotti for allegedly protecting mobsters in return for political support in Sicily.

AN ANTI-SERS ALLIANCE

Greece and the Federation of Bosnian Croats and Muslims agreed to form a joint military headquarters, joining the Balkan pincer to attack war. The new alliance enables Croatian troops and forces of the Bosnian Federation to aid each other against rebel Serbs who have seized substantial parts of both countries.

DEATH PENALTY REVERSED

Republican Gov. George Pataki signed a bill restoring capital punishment in New York, the 36th state to do so since the U.S. Supreme Court ruled the death penalty unconstitutional in 1976. The same year, Canada outlawed capital punishment.

TAKING THE STAND

At the U.S. 300th birthday ball in Los Angeles, police Sgt. Mark Furman (dead) testified of knowing a woman who claims he made racist remarks to her. The defense alleges that Furman is a racist who tried to frame the black football hero for planting a bloody glove on his estate. Legal activists say allegations of racism against Furman would weigh heavily with the predominantly black jury.



The Queen greets a crowd of well-wishers in Belfast "courtesy and compassion"

A dramatic royal return

Reflecting a more relaxed attitude to war's security near the Irish Republic, Queen Elizabeth II and Prince Philip headed through cheering crowds on their first visit to Northern Ireland in two years. The British monarch officially opened a bridge over the River Lagan in Belfast and later visited Antrim, the ecclesiastical capital for Roman Catholics and Anglicans in the Irish Republic and Protestant Ulster. "For many difficult years, the people of Northern Ireland have shown courage and compassion of an extraordinary kind," the Queen said. "Today, as they begin to look towards a more peaceful future, Antrim with its two great cathedrals standing so close together, presents a powerful symbol of the strength, spirit and hopes of people across Northern Ireland."

In another sign of warming relations towards the longtime terrorist organization, U.S. President Bill Clinton granted a visa to Gerry Adams, head of the 30th political wing, Sinn Féin. He also lifted a ban on Sinn Féin fund-raising in the United States and invited Adams to a St. Patrick's Day party at the White House. For his part, Adams said his party was

prepared to discuss disarmament with the British government as part of a much wider agenda that includes Sinn Féin demands for the release of hundreds of IRA prisoners.

A war on poverty

At the UN World Summit for Social Development in Copenhagen, delegates agreed on a plan to cut poverty and social injustice, but warned that results would not come quickly or easily. They also agreed to call on governments and private leaders to consider lending out more foreign aid money. But the call set no timetable or specifics, and centers at a time when wealthy countries, including Canada, are cutting back on foreign aid to the world's 1.2 billion poor. The working summit underlined the huge task facing governments as they try to deal with the root causes of wars and disease, especially in the poorer regions of Africa and Asia. The controversial issue of debt cancellation, however, put little support. Some 120 government leaders attended what was billed as the biggest summit in history. Almost every Prime Minister from Clinton, Bill Clinton and several other leaders of major Western powers



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National sovereignty is on the line as trade and capital markets globalize

SHIFTING GROUND

BY DEBORAH MCNURDY

Newspaper headlines screamed of a Canadian currency crisis. Below the headlines were breathless reports of "the toughest period of economic austerity since post-Second World War days." The Prime Minister had just announced emergency measures designed to slash \$66 million from the federal government deficit in one year, along with plans to borrow the unprecedented sum of \$1 billion from the International Monetary Fund to bolster Canada's dwindling exchange reserves. The year was 1962. The Prime Minister was John Diefenbaker. And the psychological impact on Canadians was profound.

After 35 years—and subsequent bouts of currency market volatility—the sleek value of dollars, denominated in a national market, has greatly deteriorated. But the complexity of those markets, Canada's vulnerability to the dictates of foreign creditors and the implications for national sovereignty have grown—along with the country's \$37.9-billion deficit. The relentless pace of technological change and the proliferation of borderless business transactions have shifted the ground beneath Canada's socioeconomic structure. And Canadians are

struggling to understand just where they fit into an uncertain world where exchange-rate volatility makes everything from budget projections to travel plans unpredictable, where credit analysts in New York City and insurance companies in Japan do not social spending to Ottawa, and an aggressive 28-year-old trader in Singapore betrays the change to bring down a 200-year-old merchant bank in London (page 32).

In fact, the Liberal government has deliberately played on that growing anxiety about the erosion of Canada's domestic sovereignty in its bid to win broad political support for an austere cost-cutting budget. In a speech in Vancouver last week, Finance Minister Paul Martin declared that his headline budget, tabled on Feb. 22, was imperative for Canada's autonomy. "My goal is to make sure that my kids don't have their sovereignty dictated to by somebody outside of this country," he said, referring to the clout of foreign creditors.

As the age of high-technology global markets and multilateral trade has diminished traditional national borders, the clout of supranational bodies and the consequences of economic interdependence have become increasingly apparent. To successfully conclude complex trade agreements, such as the Uruguay Round of the 23-member General Agreement on Tariffs

Policy is areas that were once the exclusive economic preserve of domestic governments is now dictated by supranational agreements

and Trade, all participants have given up at least some control in areas such as agriculture, environment and labor, traditionally the exclusive preserve of national governments. And for relatively small economic powers like Canada, that process can be threatening. "The world sovereignty automatically translates an edgy emotional state in any economic discussion," says David Laflair, an economics professor at the University of Western Ontario in London. "But the fact is, you have to come together if you want to participate in a world economy, and you want it to be an orderly place."

Over the past several months, however, global currency markets have been anything but orderly. Last week, the pressure of attacks from foreign exchange traders, who now move over \$1 trillion around the world each day, forced Spain, Portugal and Brazil to devalue their currencies in rapid succession. At the same time, the currencies of Britain, France, Sweden and Italy hit record lows against the German mark. The markets also pushed the Mexican peso to historic depths and dragged the U.S. dollar to postwar lows against the Japanese yen and the German mark. Fortunately, the Canadian loonie was pulled into the downward spiral. It fell eight per cent against the German mark, and bounced around 70 cents (\$0.8) during the last week, before closing where it started—71.07 cents.

Although the U.S. dollar also stabilized late last week and currency markets calmed overall, the aftermath of those international tremors still reverberated in Canada. As the Canadian dollar slid downward, the six chartered banks boosted their prime lending rate to a two-year high of 8.75 per cent, up from 8.25 per cent. "The lockstep march of technology and economic interdependence is being fully displayed," said Michael Hart, a federal trade policy adviser. "The reach of international currency markets may not be new, but they are bigger, busier—and more disruptive—than ever."

The force of foreign exchange markets was also underscored by their ability to hijack designed the conventional tool kit of national governments—central bank intervention. As the U.S. dollar tumbled, the Federal Reserve—as well as the central banks of 17 other countries—rushed to the market to buy and to bolster the U.S. currency last week. According to analysts, the principal concerns reflected in the market were the U.S. government's commitment of \$88 billion in loans and guarantees to Mexico, as well as the congressional defeat of the proposed balanced-budget amendment to the constitution on March 3. More generally, currency speculators were also shaking currencies with significant debt burdens—the United States had external liabilities of \$750 billion at the end of 1994. And they were also anticipating that Japanese investors will soon embark on their annual sell-off of foreign bonds, to bolster their own bubble shares just prior to Japan's fiscal year-end on March 31.

To contain such destabilizing market attacks and to help national governments to preserve at least some of their economic agenda in the midst of crises, there is growing support among trade analysts for the creation of a supranational regulator for foreign exchange and capital markets. American economist James Tobin has proposed that a one-per-cent tax be imposed upon every foreign exchange transaction. He argues that the tax would make speculation more expensive and would slow down the feeding frenzy when global markets turn against a country. And trade policy adviser Hart "I'd need to be that a single government had the levers to control and to govern. But in more and



these cases, a new level of global governance is required."

For his part, however, Western's Laidler strongly disagrees with that view. "Market volatility is about a healthy market challenging existing monetary policies," Laidler says. "But even if exchange controls, which were only recently lifted in countries like Britain, were imposed, 'a healthy market subverts all artificial barriers to its will.'"

With 24-hour global trading by unscrupulous financial institutions and corporations, it would be impossible and impractical to monitor all the transactions, he notes.

Still, for Canada, the stark reality of global capital markets and their after-punch, where discipline of dollars, has gradually freed the country's social policy underpinnings. At the heart of the net of social programs is the established prac-

tice that the federal government has a key role to play in steering the economic life of the country. But with a heavy national debt burden, Ottawa's control of that agenda has clearly been overshadowed. In an interview with *Maclean's* last week, Industry Minister John Manley noted "it's never pleasant to be a borrower. Our policy options are limited by our need to feed the national deficit machine." □

A DERIVATIVES HANDBOOK

They have nice names like "wadding bonds," "inverse floating" and "volatility caps," but they also have a nasty reputation. Derivatives are financial instruments that were designed to reduce risk, while giving investors the ability to bet and lose enormous sums.

In recent months, these products have been blamed for helping to drive insolvent Savings PLC, the London-based bank to Queens Elizabeth II, bankrupting Orange County, Calif., and bankrupting several multinational corporations. Still, derivatives are a useful financial tool that will play an increasingly important role in global markets. Notes Allen Cooper, professor of the Canadian Business Association (CBA), "Derivatives will not trigger the next financial crisis and, in fact, they provide benefits to investors, governments and the economy as a whole."

What Is A Derivative?

A derivative is a contract that has a price derived from the market price of the value of, for example, interest rates, foreign exchange rates, equity prices or commodity prices. Derivatives have grown steadily in volume and complexity in the past decade. There are many exotic variations—and wadding bonds are a bet that interest rates will stay in a narrow range. The U.S. consumer products company Procter & Gamble Inc. posted a \$200-million loss last April when a wadding bond was broken. Most Canadian investors, however, use simple "vanilla" derivatives to limit their exposure to volatility moves in interest rates or currencies such as the U.S. dollar.

How Much Canadian Capital Is On The Line?

Canadian banks say have as much as \$7 trillion in derivatives contracts outstanding at any one time, according to the Citicorp. Although that number seems vast, it is not an accurate representation of how much money the banks actually have at risk. The Royal Bank of Canada, which has total assets of \$275 billion, is among the largest Canadian players in derivatives, but it attempts to balance its risks. For example, Royal Bank limits its overnight risk on foreign currency derivatives to \$20 million. That way, if exchange rates move sharply in any direction, potential losses are contained.

Are Individuals At Risk?

For most Canadians, owning a mutual fund or contributing to a pension fund means exposure to derivative products.

The Canadian securities regulators have set limits on which derivatives are permitted investments as well as who is permitted to use them. John Hill, who specializes in mutual fund issues in a partner in the Toronto law firm Borden, Day Watson, says, "All these rules are intended to provide the maximum level of safety. I'm comfortable with the regulations. No one is swinging for the fences."

Why Have Derivatives Gone Wrong?

Investors can take huge derivative positions with little money up front—and therefore, any mistake with a derivative can be a big mistake. There have been several derivative blowups since the mid-1980s. Two companies, Citicorp and Orange County, have emerged in the market. Derivative users tried to trade their way out of a bad situation, and made it worse, or investors made bets on derivatives they did not fully understand.

Over the past two months there have been several well-known examples of derivative-related losses.

- Foreign trader Nick Leeson bet \$20 billion that, among other things, the Japanese stock market would stay steady. The market went down—as did Leeson. The ultimate price tag for this transaction was more than \$1 billion.
- A Mexican peso trader at the Chemical Bank of New York City wagered that the country's currency would strengthen in January. The peso tumbled. The trader was fired after losing \$100 million.
- Orange County investor Robert Citron gambled that U.S. interest rates would continue to go down. Rates went up. Orange County went bankrupt, making the cost of that wager about \$2.5 billion.

What Is Being Done To Limit The Derivative Damage?

Guidelines on derivatives have been set out by two major Canadian regulators in the past year: the federal Office of the Superintendent of Financial Institutions and the Ontario Securities Commission. These regulations are based on what are known as "best practices"—conservative rules set forth by securities police in 30 countries. When derivative deals explode, "best practices" usually turn out to be a good idea. Education is also part of the answer. A U.S. survey recently found that just four per cent of senior finance executives felt that they actually understood derivative risk.

ANDREW WILLES

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Gaps between generations and classes within Barings' corporate culture helped to break the bank

Cultural Differences

BY BRUCE WALLACE

It should surprise no one that when Nicholas Leeson, the first unsanctioned derivatives trader of all time, bowed himself to the man and woman in Singapore for payment details that turned out to be picked up the phone and called Max Clifford for advice. Clifford is Britain's most famous gossip agent, the scourge of the privileged and a sharp stick to the Establishment's eye. He takes on clients who can dish the dirt on aristocratic public figures, and Ratings PLC, one of the City of London's most notorious banking houses whose more than \$2 billion Leeson had lost, was a target that fit nicely into Clifford's crown hairs.

"He said, 'Help, I'm being crushed,'" Clifford recalled last week, describing a telephone conversation he had on Feb. 27 with the man who was then the target of a worldwide media blitz. Barings directors had suggested to reporters that the staggering losses were the result of "one rogue trader" who might have been trying to sabotage the bank. But according to Clifford (through his lawyers, Leeson has since denied ever speaking to the agent), the 26-year-old trader told him that his bosses had authorized the failed trading scheme, and he intended to name the company. With Clifford's help and some further digging, financial journalists soon uncovered details that pointed to the participation of other Barings executives in the trades that led to the bank's collapse. The rage, trader explanation began unraveling. Even from his jail cell in Frankfurt where he was under arrest last week awaiting a hearing on a request by the government of Singapore that he be extradited to face charges, Leeson has had "a very successful worldwide media campaign," said Clifford.

By last week, it was hard to find anyone who still believed that the bank's own top management was blameless in the fiasco that brought the 203-year-old institution down—even at Barings itself, where the bank was being sold to ING Group of the Netherlands for

the unprecedented sum of one pound sterling (\$1.64). Documents uncovered by Singapore indicated that Barings executives were warned as long as three years ago about the lack of controls over Leeson's trades. And a paper trail emerged showing that Barings' London headquarters had diverted, according to some reports, thousands of millions of dollars to Leeson's Singapore office in the weeks leading up to the collapse in order to cover his bet that the Tokyo stock market index would rise. The findings prompted Singapore officials to widen their investigation to include the conduct of Barings executives in London, where Britain's Serious Fraud Office had already started its own inquiries.

To many thinkers, the string of such a blue-blooded banking family to put the blame on one working-class kid who had grown up on a public housing estate north of London was just another example of the class gaps at work. "Of course it's about class," said Clifford. "People like [bank chairman] Peter Barings, who are friendly with the Royal Family, will suffer the fashionable lower classes like Nick Leeson and myself as long as you're making money for them, but they would never 'love you at their dinner table.'" In fashionable City

of London were born, privileged traders dismissed Leeson as an "ink," using the slur that describes someone with working-class roots and the bad manners to match. Leeson's own behavior during his three years in Singapore supported the unfavorable portrait of a cocky loner. He was forced for shopping his parts in a bar before a group of women, and press reports said he was suspended from the Singapore Cricket Club after he and guests tugged on Asian employees with racist abuse.

Much more than class differences lie behind the fall of Barings, however. The last few years between generations, a session that developed only after Barings embraced the new, potentially lucrative business of trading the financial products known as derivatives. Barings' core business had always been the solid, conservative world of corporate finance, with its emphasis on dispensing advice and raising money for clients. But in the early 1980s, as it expanded its securities trading in the booming Asian capital markets, the old merchant bankers at Barings began to take a back seat to the younger traders who were bringing in huge profits—by some estimates as much as \$20 million last year—by trading with the bank's money.

Two new business units merged trading the burgeoning world of derivatives (traders were Barings' aristocratic cousin) and a little gray hair might have come in handy when trading a customer client as a derivatives meeting. But the front lines of derivatives trading are manned by young men and women in their 20s, sometimes called rocket scientists because they are so intimately at ease with the computer models on which the business thrives. "Derivatives is a young man's game, and there are very few people say so or older, the people at the top of corporations, who in their brief of hours really understand derivatives and how they work," said one 46-year-old City of London investment banker who requested anonymity. "What happened at Barings

was not a function of people's backgrounds. It was a function of age."

As the new glimmer field in the financial services industry, derivatives created a generation of young traders weaned on the adrenaline kick of electronically trading huge amounts of money back and forth, with the prospect of multi-dollar bonuses for those who mastered the markets. If the number of assets after the dollar signs in a trade are less than a few hundred million, the traders think that they couldn't become anyone to the size of the deals they saw—then Leeson's decision that act of taking Barings deeper and deeper into his gamble on the Tokyo stock market index becomes more understandable. "We all knew what happened, but I don't think anyone was going to stop us," said one City trader. "Once you've lost \$200 million, you may as well keep gambling because it's not as if you're going to be able to pay it back."

Even so, most investment houses maintain that they have careful controls in place to prevent individual traders from risking up such huge positions. The so-called back office, which authorizes and registers every trade, acts as a leash on the activities of the dealers. But at Barings' Singapore operation, which was a small office where Leeson was the dominant trader, he also supervised the back office. "Traders in futures and derivatives are the sort of people who don't like to be interrupted with," said Derek Ross, a derivatives expert with the accounting firm of Touche Ross in London who is familiar with details of the Barings collapse. "There are the clever whizzkids and they want to do their deals and get to the wire bar. It's a long way from traditional, prudent trading business who live in wood-paneled headquarters."

Leeson's ability to circumvent controls may have been rare in the industry. But many experts say that his core points to another weakness in the system: the strategic bonus payments paid to traders that are tied to the size of each deal. "The balance of risk and reward is wrong," argues Ross. "If they get the market right, they're asked to make millions of dollars in bonuses. If they're wrong, the worst that can happen is that they get fired."

Unless, of course, they refuse to be fired, which, in Leeson's case, is still to be determined. But already, his disjunctive trades have brought unprecedented scrutiny to a business that has the power and clout to torse banks and create continents—and is seemingly a preserve of tweed-jacketed aristocrats. Most notably, the collapse of Barings at the Telegraph Group PLC in London, said "What is terrifying to me as I make the rounds of analysts and investment banks is that I can look around a room with 80 to 90 people, knowing that the amount of money they control together is staggeringly great and the average age is under 30."

Colony was just of the swirling chaos attaching the power that has accrued to such young traders. But there is also something that sounds like reverse aging in the supply and demand of assets coming from middle-aged business barons. As long as there has been capitalism, capital has sought out the highest return. Those days, first is fastest is derivatives, a market that is best understood and explained by the first generation to grow up completely at ease in a computer industry.

Derivatives trading may sound like a high-risk video game to many people, but, until Barings' spectacular failure, few outsiders were heard about it. "In our business, when you're making money, you're not so much about that's undesirable," said one rising City accounts dealer. The class divide at British institutions like Barings was buttressed by the huge profits of derivatives trading, only to be replaced by trouble over time. If there was one image that symbolized the culture clash that lies at the heart of the Barings case, it is that when he was arrested in Frankfurt, Leeson was seen from the plane waiting a Detroit Tigers baseball bat. Bewilder fans may no longer be in vogue in the City of London, but it is doubtful whether anyone is still over-enthusiastic of the British banking establishment would ever consider wearing a ball cap. □



Leeson outside a Frankfurt jail. Clifford ran the legal, vice-chairman of ING (right): a coalition of management control



AP/WIDEWORLD

what proved a fruitless attempt to prop up the U.S. dollar. Philip Wilson, a senior vice-president at the Bank of Montreal in Toronto, says "This business used to be based on flows of money created by trade. Now, flows of capital are exponentially larger, and move more quickly, driven by the needs of fund managers."

Canada's appetite for debt has made the currency and bond departments of investment houses one of the country's top growth industries. When there have been squalls in the securities sector recently, overall employment in the investment industry totaled 14,334 at the end of 1994, compared with 12,886 two years earlier. And new players keep entering the field. Last week's wave by Lehman Brothers followed a last round last year by Salomon Brothers and Morgan Stanley Canada Inc.

The U.S. dollars are here to win the right to sell Canadian debt abroad—and they intend to succeed. Canadian regulations require that foreign investment houses have no office in the country. The 16th floor offices of Salomon Brothers in Toronto offer a spectacular view of Lake Ontario. But it is not something that any of the five traders will forget. Jerry Brown, Salomon's director of fixed-income trading, said that he does not want his staff distracted by scenery when they are trading huge blocks of bonds, as he had the trading room draped so that the traders have no view of walls.

Focus and concentration may be imperative for traders, but they also take a toll. Throughout the business, stress levels are extremely high, and Salomon Brothers' Brown says a trader's career usually lasts only about 10 years before they burn out. After that, they drift into jobs in management or portfolio managers, where the hours are less onerous, and lucrative bonuses are replaced by equally lucrative participation.

Traders admit that they will eventually go—ride up and sail down with every trade. One bond trader says that he is considering leaving the business because "when you're in a pit, and can't access to make money, it can affect your whole life." Says another market veteran: "On the good days, I'll click with an account, but that energy just starts to flow into the next sale, and the next. I can't quit. On slow days, I learn to a lot of jokes." Yet another trader jokes: "I'm 35, been doing this for three years and can't see doing it past 30. In this business, a short-term view is hard to have. A long-term view is just tomorrow's lunch."

Can the good future continue as well as Canada's currency and trading desks? They can, according to the traders, as long as Canada's federal and provincial governments continue to spend more than they take in. Despite the austere trappings of the Feb. 27 federal budget, Brown alone is projected to move \$6.9 billion in new debt in the next three years. And if that happens, the game will continue. Even if the players are different. □

Shoot the Keynesians

If you listen closely to the sound of global currency markets these days, you may detect a persistent, high pitched drone because the money market. This irritating noise is caused by a small but stubborn minority who are convinced that market speculation—and the volatility that it engenders—are evil forces that must be controlled. With recurring swings in currency rates, the pious lot outsiders, undermine carefully structured government policies and ultimately erode national sovereignty. According to them, the young technocrats who dogmatically wrap billions of dollars around the world each day, in a senseless search for the ideal profit spread, are actually agents of international chaos. And as such, the thinking goes, someone should crack down on the whole disabled plot and end them all.

To that end, the noted Keynesian and Nobel laureate American economist James Tobin has even floated the theory that market speculation should be deterred from their fantastic agenda with a tax of one per cent on every currency exchange transaction. Given that the value of global currency trades is pegged at about \$1 trillion every day, that action would amount to a daily levy of \$10 billion. Not only could that money be deployed for the greater good of humanity by funding the United Nations or the International Monetary Fund, according to Tobin, but it would effectively become a natural market regulator by making the short-term flip of cash from one currency into another considerably slower and more expensive.

What a scheme to reduce international mobility and harmony! Take one efficient, well-informed free market. Toss it up with some elaborate artificial restrictions, carefully limiting it to liquidity in the process. Baste it with plenty of Keynesian dogma about the infinite wisdom of government intervention in an economy. Space with a sanctimonious discourse on the immorality of excessive capital gain. Host and serve.

There are a great many things wrong



BY DEIRDRE MCMURTRY

THE BOTTOM LINE

with the notion that foreign exchange markets need to be slapped into line. But perhaps the most appropriate complement of such arguments is that they reflect an apparently irreducible urge to temper with something that is classically proper. Unlike equity markets, the foreign exchange market is pure pecuniary because it is so neutral, so impartial and so universal. As a result, it is virtually impossible to sway or distort it. It consumes information, digests it and then, through the miracle of modern technology, automatically transmits its judgment to the action. That highly efficient process deftly diminishes the clout of jangling bureaucrats and politicians, and distributes power among a broader base—and away from a political agenda.

That was apparent last week, when even the mighty Federal Reserve Board in Washington—backed by the full force of its central bank moxie—could not alter the market's movement. That the greenback is unswayed against the Japanese yen and the German mark. In the end, the banks of them buy close to a billion bucks over a few days, valiantly trying to reverse a market trend that has seen the gradual unfolding of the U.S. dollar's downward drift of the U.S. dollar.

In addition to the enormous liquidity that they provide, unfiltered foreign exchange markets are valuable because they allow not just banks and governments in the global ecosystem. Rather than allowing the dangerous imbalances in Mexico's financial situation to continue and to compound, foreign exchange markets effectively forced that country's political and business leaders to a new level of discipline by rising shotgun on the scene. Rather than allowing Canada to slide into profligacy, they cut up our national credit card.

Foreign exchange traders—whatever their age or their taste for loud fits and fast cars—are not the cause of international instability. They merely measure and act upon what is already there. They are not the message, but the messengers. Don't shoot them.

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Billion-dollar buy

Potash Corp. diversifies its bag of fertilizer

Potash is a hot commodity in China. Trains carrying the fertilizer have been hijacked, and one man was reportedly even killed in a brawl over potash a few years ago. The Canadian potash industry can also credit for creating some of that voracious demand: It has run a grassroots marketing campaign in China for more than a decade, during other initiatives, the industry has operated field trials in which agronomists grow crops on small test plots to demonstrate the benefits of using potash. It also sponsored what was by local standards a lively television advertising campaign, featuring Mark Rowswell, an Ontario-born comic who is popular in China. Charles Childers, chairman and chief executive officer of the Potash Corp. of Saskatchewan, says that the marketing has been so good that even the distinctive salmon-pink color of Saskatchewan's potash has become an advantage. "In China red is a lucky color," said Childers in his American Mahout dress. "The Chinese refer to our potash as the 'lucky pink powder'."

But Potash Corp. has much more than marketing on its mind. Last week, the com-

pany—the largest potash producer in the world—announced that it would spend \$1.1 billion to acquire Tensugui Inc. of Raleigh, N.C. Tensugui is a low-cost producer of phosphate, which along with nitrogen and potash are the three key agricultural fertilizers. Consequently, China already has large domestic supplies of nitrogen. Potash Corp., which produced 34 per cent of the world's potash last year, and currently estimates that it has 280 years of potash reserves under the ground in Saskatchewan, had been shopping for an acquisition. Childers, who worked for the U.S. Global Northbrook, Ill., a large phosphate and potash producer before he came to Potash Corp. in 1981, says that he has "covered" Tensugui for years.

Such expensive acquisitions are often detrimental to shareholders' interests because they can divert profits away from dividend payments. But in this case, the stock market reacted favorably. Potash Corp.'s share price jumped by 56 to close the week at \$36. Raymond Goldie, a mining analyst with Robertson Gendebach of Canada Ltd., says that the acquisition will broaden the

company's existing business and will increase its shareholder profits.

In fact, Goldie blames the resource prices of Saskatchewan's potash industry to the fact of the aluminum industry. "Around the turn of the century, a group of people realized that one of Canada's prime assets was the hydroelectric power potential of Quebec and they capitalized on that by building aluminum smelters," said Goldie. By comparison, the massive potash deposit, which runs in a 200-km-wide belt across north-central Saskatchewan for 500 km—and is estimated to contain reserves of 50 billion tons—may be the most valuable single mineral deposit ever found in Canada. "I can't think of any other use deposits in Canada that will provide such a significant benefit to the country," he said. "And Potash Corp. represents the economic exploitation of that resource in the same way that Alcan exploits Quebec's hydro potential."

Potash Corp. began its life as a Crown corporation in 1975 with the mandate to develop the massive ore deposits. A year before the company was privatized in 1980, its operating strategy changed. "The goal of producing potash as best as possible to maximize the number of jobs for the people of Saskatchewan, the approach they took was to restrict output to meet demand," said Goldie. "Their mandate was to maximize profitability." The first step in the privatization occurred on Jan. 3, when



Potash and 'lucky pink powder' by Chinese

a restriction inspired that limited an investor from owning more than five per cent of the company's shares.

Tensugui, like Potash Corp., is also a low-cost fertilizer producer. Its 35,000-acre phosphate mine site at Ray, Va., N.C., is the largest integrated phosphate mine and chemical processing complex in the world. Tensugui has no one body that represents 30 per cent of the known phosphate reserves in the United States with an estimated life of 25 years.

The scent in Potash Corp.'s share price following the Tensugui announcement is just the latest jump. In the past 18 months its share price had doubled to \$50, largely because of the market's expectations of a steady increase in projected urban fertilizer sales. Although sales are forecast to grow only modestly in the traditional markets of North America and Europe, demand is expected to rise in such developing countries as China, India and Brazil. There, rising incomes levels and standards of living are increasing the demand for more and better food.

Now is the single most important offshore market for Potash Corp. China bought 30 per cent of Potash Corp.'s production last year, and Childers estimates that by the end of the century it will account for 60 per cent of the com-

pany's output. "China is the biggest," said Childers, "but sales are increasing to places like Indonesia and Malaysia, too." The industry's direct marketing campaign is the key to its success. Companies, the jointly owned marketing arm of four Saskatchewan potash producers, has agreements under part in the rural field days that occur in various areas of China at the end of each harvest season. At that time, the test plots of fertilized crops are harvested and onlookers are invited to taste the soil. The winner gets a bag of potash. Said Childers: "I guess there's not a whole lot for people to do over there so everybody comes out. I guess it would be like Saskatchewan in the 1930s or 1950s."

But Canada's marketing does not always result in sales of Canadian potash. In China, potash purchases are controlled in one government agency that negotiates bulk purchases. Despite the farmers' preference for the "lucky" pink potash, government bureaucrats will happily buy white potash—if better prices are offered. Still, in the world of cutthroat commodity competition, even a tiny advantage—like the difference between pink and white—is a welcome one.

RENEE DALGLISH



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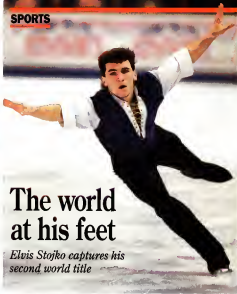
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Stojko: It is a sweet victory



The world at his feet

Elvis Stojko captures his second world title

Elvis Stojko's mother stood in the stands and watched his choreographer shriek and pined up and down. His coach looked for someone to help him. Even his closest companion, Todd Eldredge of the United States, applauded, albeit glumly. And Stojko was not even finished skating. Then, as if by magic, the 22-year-old had just completed an unpracticed and nearly unbelievable triple toe-loop jump to combination with a difficult triple Lutz, and his last minutes into his already exhausting free-skating program. That night of dizzy climax an explosion of applause from the audience at the World Figure Skating Championships in Birmingham, England, five weeks, and it propelled the Canadian to his second straight world title. For Stojko, who had badly sprained his right ankle on Jan. 10, the second time he'd ever better than the first. "I'm glad I went through those

eight weeks (of rehabilitation) to have what I have now," he said with a big grin. "It's hard to put into words what this means. It is a sweet victory."

Stojko's victory had ramifications beyond last week's competition. Following Brian Orser's win in 1987 and Kurt Browning's four world titles between 1989 and 1993, Stojko extended Canada's non-dominance of the previous men's event. And the victory would be the popular skater's last in a year when audiences seem to have an insatiable appetite for the sport. Stojko's triumph also makes him the youngest performer going into the 1994 world championships—a bonus for Canada because the competition will be staged in Edmonton. As for the sport, Stojko's gritty performance once again raised the standard for future skaters. At the 1994 Winter Olympics in Lillehammer, Norway, a top-level men's free skate

needed six triple-toe jumps, in Birmingham, Stojko landed eight, including two triple-toe combinations, and only just missed nailing his second quadruple toe-loop. And he was not the only air borne skater: half the 24 skaters in the field landed triple jumps, a jump possessed only 14 years ago by Canadians Orser and Vera Taylor. The next generation of skaters may need a pilot's license.

Leading up to Birmingham, the conventional wisdom was Stojko was that he would be lucky to compete. Some reports suggested that he was nearly lame because of the ankle sprain that prevented him from defending his Canadian championship in Halifax at mid-January. His coach, Doug Lewis, did a stalker imitation of baseball's Sparky Anderson, the Detroit Tigers' manager who likes to take the pressure off his own team by taking up the strengths of his opponents. Lewis did not let up even when it was all over. "It was a test, almost, of survival," he enthused. And choreographer Uchi Kessler, no stranger to drama, got positively teary-eyed when she talked of Stojko's struggles. "Trying the quad was such a risk," she said. "If he'd landed that the wrong way he would have been out of there. But the only way Elvis knows how to compete is to go for broke."

Stojko himself played down the pre-Worlds #1 take-a-missile rhetoric and, throughout his workouts at the Matthews figure-skating club in Bance, north of Toronto, he remained outwardly calm. But the injury did not stop him from practicing the more difficult jumps until 10 days before leaving for England. And even though he had been assured that the ankle was strong enough, he was unsettled by the fact that the injury was to the foot on which he lands most of his jumps. Later, with his championship medal around his neck, he admitted that rehabilitation from the sprain had been a time of "frustration, doubt—the whole rollercoaster of emotions." In the end, he said, "I trained myself. I knew I could do it, and I proved that tonight."

Stojko's victory was not unexpected to be so hard fought. Russian Alexei Yemetshev, who best Stojko at the 1994 Olympics, is accom-

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SPORTS

spicy view as a scientist wonder. Eldredge had been out of elite skating for three years because of a back injury. Philippe Candeloro, the mercurial Frenchman, had looked well in form at the European Championships in January. But the final produced some electrifying performances. To finish second and third, respectively, Eldredge and Candeloro skated to the limits of their abilities. Eldredge landed seven triple jumps, including two difficult triple Aches. "It's absolutely a little disappointing I didn't win," he said, "but this was our last and closest push." Candeloro, reminding his fans of the grace of the 1992 Olympic champion, landed a gamut of jumps, including a triple Ache, and his usual poise and unusual precision. Eldredge could imagine only faintly how he

Many slating observers had predicted a modern showing at the Worlds by Canada's team, which had been depleted in the previous Olympics because of defections to the professional ranks (including Bromberg, Joelle Chesneau and past skaters Isabelle Bissiere and Lloyd Carter). But Michelle Monaghan of Cambridge, Ont., and Jean-Michel Bombardier of Lével, Que., managed to finish 10th in the pairs competition and might have done better except that Monaghan threw her ice by the opening bout of children puz. Jennifer Robinson, 18, of Windsor, Ont., the only Canadian in the novice women's field and skating at her best senior level, placed 12th, also skated 12th overall.

The most stunning development for Canada was the fourth-place finish of dance team Shirose and choreographer John Krasinski of Vancouver in the bayswallow world of ice dance, judges usually make newsmen pay their dues for years before they can crack the elite. Ben Bourne, 34, and Krasinski, 32, chose to dance to Tchaikovsky's Swan Lake in 1983 and 1984 and 1989. The aerobic dance duo, who met in 1989, then embarked on this year to working with Russian coaches Marina Khayeva and Sergei Popov. "We want to move up gradually and be in contention for first place by 1997," the pair before the Olympic Games, says Krasinski. "The Olympic goal is that in 2006 we will be the best, anything that comes between that is a bonus."

For the organizers of next year's World in Education, the high placement of Stojko, Buzar and Kovata, and Monahan and Hershbarter was a relief. By finishing among the

top three, simply measured that three Canis in one week would qualify for 1998. By finishing in the top 25, the pairs and dance events are selected on the basis of quality and not quantity next year. Not that a single dance error in the skating and Alberta capital, which took place in the 1997 event, cost the 16,000-odd Northlands Canis gold and 72 jobs. By comparison, the arena's lease in Banff actually yielded 5,800 jobs to the National Exhibition Centre. "Our kids don't have to leave the Canadian skaters' trail," Edmonton official Jan Whendley says. "It's a shame that the Canis and the dance is full in competition last week. But if they happen to come from Canada, or from Edmonton, then so be it, the better."

As the defending champion in his home



Ice dancers Bourne and Kravitz rising fast in the slow lane of international figure skating

country, Styke will be under enormous pressure in 1996. But so much as the far grouty-defying jumps, he is renowned for his ability to shut out distractions and perform when it counts. That was apparent last week when, having seen Eldridge and Casadeiro skate before him, he realized he would have to skate almost a perfect routine to win. That is why, at the end of his routine when he was surely exhausted, he backed on the extra triple. "I knew that after running the quad, I needed something more," said Styke. "So I took a breath, gathered my energy and went for it." He did, and he won.

JAMES DEACON with DON HILLON
in Birmingham



Capriotti Comet runs up the crowd's intense following

The intensity of the basketball fever in Raymond is first apparent 17-year-old Wiggins. "In my town, the kids say that when they grow up, they want to be a Chicago Bull," he says. "Well, it's not to grow up and be a Comet." It's kind of that lame as a way, because everyone pays attention to you. But people also watch what you do and it's kind of hard being a teenager—but it keeps you out of trouble."

All that attention can create hard-headedness, especially. "Certainly, there's a lot of peer pressure on our coaches," says Raymond High School principal George Bohne. "And as a school administrator, I have a lot more dealings with parents about basketball than I do with parents about anything else. I think their kids aren't playing enough, that our rules are too strict or not strict enough." Bohne's son Richard, a Raymond graduate and now the star of the University of Calgary team, says that players feel the pressure, too. "Some people feel, 'Oh no, we've got to win or the town's going to hate us,'" says Richard Bohne. "And I've known some people who say that Raymond has blown it out of proportion. But I think that the game has brought the community closer together."

Certainly, the growing of future Comets starts early. Kids begin playing organized basketball as early as the fourth or fifth grade—and they spread with the ball long before that. It is a tradition in Raymond to allow kids to watch the court at halftime, to dribble and shoot baskets. At the same age Medicine Hat, even three-year-olds were listening around the court with balls clapped in their tiny hands. "Dribbling, dribbling, prepping, shooting—these kids start at a young age," says Gary Howard, who has coached several Raymond graduates on University of Calgary teams. "And they're fundamentally sound by the time they're finished school."

It was the same when Allen McLeish was a high-school star in Edmonton in the 1980s, before he went on to play for a University of Alberta team that competed in the Canadian finals. In a tournament in the basketball pebble dust upon which Raymond stands, McLeish still remembers his biggest game was at the 1996 high school final when his team upset the Grimsby Merchants played against arguably the best player ever to come out of Raymond. Phil Tellus, a legend, an all-time forward who, along with the Barker, Tim, and another Raymond star, Alex Williams, played in Canada's national team in the 1970s.

According to Tellus, the warm climate winds that blow across southern Alberta have helped Raymond's hardcourt fortunes. "We did not have great outdoor hockey rinks or ponds in the early days," says Tellus, now a teacher in the neighboring town of Mayrath. "The climate would come and melt the ice. So hockey did not take quite the hold it did in other areas."

In fact, most of Raymond's best athletes still choose basketball over hockey by the time they reach high school. And while there are other basketball hotspots in Canada—Vancouver, Toronto and Montreal all have very competitive leagues—the small size of Raymond, along with its long basketball tradition, makes a real difference. The early entries in the series, mainly Merchants from Uxal, brought the game with them soon after the turn of the century, building two fine facilities—a gymnasium

the windows of the Opera House, now a museum to watch the local play. In the 1980s, he moved the team to house, making it to the national playoffs almost every year for a decade. "They were some of the most intimidating and happy teams in my life," says Rollins wistfully. At a funeral recently, he adds, an out-of-town show he had never met before recognized him as a former Uxal star. "I haven't played in over 30 years," marvels Rollins, "and the man still remembers me."

The current crop of players know all about the Jocks and the Tellusians. And they know about Richard Bohne, 24, and the string of records he set on the University of Calgary team this year, including most points ever by a Canadian university player in a single game. Bohne, one of the best guards from the best players and put them in my own game."

Remember having my heroes on the team, as he back in second and third grade," says Bohne. "Each year, I watch them play, and the best guards from the best players and put them in my own game."

In Raymond, basketball fever is practically hereditary. Comets assistant coach Jim Stokely played for the team in the 1950s. His son Dustin is now a Comet. And Jim Stokely's mother, Jessie, 65, who watched the Medicine Hat game from the stands, played on a high school girls team that won provincial championships in 1968 and 1982. "Even my mother played," says Jessie Stokely. "She was born in 1911, and she was on the first Raymond team." Girls wore long, baggy bloomers in those days. But Jessie's mother's team took to wearing more comfortable pants—definitely cut just above the knee, she says. "And they dare not get looked out of the league."

Today, the Raymond high school girls are still formidable competitors. In the 1990s, the girls won two provincial championships in 2A—the appropriate division for the size of the Raymond High School. And they won another in 1998 after they moved up to the more competitive 2A division. This year, they finished second in their league in the regular season.

Meanwhile, Raymond's junior boys team won 17 of their 14 games in the regular season in a combined 2A and 4A league. This year, Wiggins has long had a strong link with religion. (Merchants coaches through out southern Alberta, as elsewhere, usually have a basketball court attached—part of the Merchants' emphasis on healthy minds and healthy bodies.)

In the early years, that helped propel the Wiggins Jocks, a local senior team team, to win the Canadian national basketball championship in 1984. Dave Rollins, an 81-year-old retired math teacher who still lives in Raymond, recalls clambering up to peer through



the crowd at the local school and an Opera House with a dance floor that served double-duty as a court. And basketball has long had a strong link with religion. (Merchants coaches through out southern Alberta, as elsewhere, usually have a basketball court attached—part of the Merchants' emphasis on healthy minds and healthy bodies.)

LETTER FROM

Raymond, Alta.

A patch of hoops heaven

In tiny Raymond, tradition and religion have made basketball king

The pressure had played below 90° F in the wake of the worst snowstorms of the season. And it was an almost metaphysical game the Raymond High School senior boys' team was playing the weakest squad in their southern Alberta league. Still, nearly 500 fans, from fellow students to grandparents and young mothers carrying babies, leaved the cold and blustering snow to come and cheer the Comets in their final home game against the Medicine Hat team. In Raymond, both the level of fan support and the quality of the basketball are extraordinary. A town of 3,300, about 300 km south of Calgary, it is in the center of a little patch of hoops heaven, a rural area in southern Alberta populated largely by the Mormon descendants of American immigrants, where basketball excellence goes back three and four generations. The

Comets have won the provincial title seven times since 1960, more than any other team. And they play in Alberta's 4A division—against the province's largest schools—even though Raymond High School has only 270 to 300 students each year. "When you say Raymond," says Allen McLeish, basketball star and district for high schools in the province, "most people who know basketball will just nod their heads and say, 'Yes, there's good basketball.'"

This year's team is no exception. The Comets went into their season playoffs last week ranked No. 1 in the province. They had a lot of a season in February, losing three games in a row to Smith with 14 wins and four losses overall. And their star player was briefly suspended after a series of disagreements with the coach. But the team regained its form by the end of the season. In their last

home game, after a slow start against Medicine Hat, the Comets decimated visiting Raymond play, breaking down the court with each turnover towards a convincing 94-56 victory. "They're famous for transition—they get the ball forward really quickly," says Bob Poole, commissioner of basketball for the Alberta Schools Athletic Association. "They can run an organized break at high speed."

Raymond's success has a lot to do with its ardent fan support. Eva Wiggins, a student, three-time forward and guard on this year's Comet team, played at his home-town high school in Coanville, west of Calgary, last year in the 2A division. Her school is at the 300 to 700 student mark. But he met another Raymond player, Stoenen Barker, while playing basketball last summer and, in the fall, moved in with the Barker family for his Grade 12 year so that he could play in the 4A division.



Shock, horror: a press coverup

BY GEORGE BAIN

The question here is whether a statement of principles, which hardly anyone knows exists, is better than no statement of principles at all. To my mind, it is, if only for the fact that it does exist. To do away with it without putting in its place something better, or explaining why not, can only imply that even a token statement of principles in this context—in this case for publishers of Canada's dailies.

It was in 1977 that the Canadian Daily Newspaper Publishers Association (CDNPA) adopted the statement currently on the blocks. It was calculated to set a rigorous standard of good editorial practice that would apply to member papers generally. The document the members were persuaded to accept might have been called a code of ethics. It wasn't—because some found the word "ethics" hard to swallow. The vaguer term "principles," which could mean anything, was the result.

Certainly in the beginning, some advocates had thought the CDNPA might in time transform itself from a wholly business body into one incorporating an ethical side, as professional associations do. That did not last long. Rather, the statement, mild as it was, was left to drop from sight. Some publishers nevertheless remained uncomfortable, concerned that the CDNPA's principles might prove embarrassing in court if an aroused reader cited them to show that some story did not conform. Still, in 11 years since that secret cover to have happened, now, the cause is on to court, by arguing the CDNPA out of the principles because altogether, that the circumstances never arise.

It is characteristic of people in the news business that they are forever on the side of the public's right to know—so long as the knowing stops short of media affairs. The water of the disposable statements of principles might never have come to light had not John Miller, chairman of the school of journalism at Ryerson Polytechnic University in Toronto, spilled the beans. Miller, a former

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deputy managing editor at *The Toronto Star*, is part of an advisory editorial committee to the CDNPA that, in late January, met to recommend what was to be done with the CDNPA's principles—keep them, rewrite them or drop them. The result, 6 to 1, was "drop them." Miller was the one.

The other participants were Philip McLaren, editor, *The London Free Press*; Rick Lukers, assistant managing editor, *The Ottawa Citizen*; Harvie Skidmore, editorial page editor, *The Toronto Star*; Jim Brown, editor, *The Windsor Star*; Duncan McMonagle, executive editor, *Winnipeg Free Press*; Eileen Gill, executive editor, *The Globe and Mail*; and Jim Poling, managing editor and vice-president editorial, *The Canadian Press*. McLaren is acting chairman, did not vote. The matter still has to pass CDNPA's board of directors in April and a general meeting in May.

Miller subsequently wrote an opinion piece in *The Ottawa Citizen*. He summed up the danger he saw in publishing principles in writing: "Somebody might expect you to live up to them." This put in other words an argument made by Michael Dooley, lawyer for Thomson Newspapers and head of the CDNPA legal affairs subcommittee. Miller quoted

Dooley to the effect that the statement was dangerous because it put responsibilities and liabilities on the association's members, and that "it is like begging people to see you."

Miller also said the CDNPA, as a substitute for keeping the statement of principles, was proposing to supply members with suggestions for dealing with their own codes of behavior—"suggestions that make no mention of the importance of accuracy, the need to avoid conflicts of interest, the limits of freedom of the press or the importance of full access and fair reporting." He added: "There is little chance any paper will do even this much. Only five of 10 participants at the 1989 managing editors' conference said their papers have written codes of practice."

Obviously, there is much to be said for its divided journalists having their own codes of editorial practice and overseeing them; they ultimately are responsible. But it is hard to see how retaining the old principles, even if in need of revision because of the coming of the Charter of Rights and Freedoms and consequent decisions of the Supreme Court of Canada, would interfere with what any individual paper might want to do. In fact, brushed up a little, and their existence proclaimed, they could do much to improve the credibility of newspapers as a whole.

Here it is necessary to introduce a personal note. I have been heavily aware of editorial codes of ethics lately, particularly at *The Canadian Press*, which delivers its news to most Canadian papers. One bit from it, an opinion says: "It must be based on facts that can be proved to be true. As honest opinion based on false information cannot be defended." Another says: "Admit errors promptly, frankly."

In an out-of-control review of my book *Golden! Now the Media Distort the News*, Kirk LaPointe, CP's Ottawa bureau chief, referred to George Bain, as a "senior journalist." Fact: Bain on the evidence of a lineal descent was born derived from journalists since the mid-1930s. Untroubled at some point, then? The evidence of a separation having occurred seemed to be in his leaving first a stint as director of the school of journalism at the University of Regina's College in Regina, that had ended nine years before LaPointe wrote: "He now simply observes from outside's great distance." Also, "Golden" is apparently bereft of "logbooks," i.e. transcripts, which, if true, except the generality of reviewers, including some who warmly disagreed with some of the book's verities.

CP was responsive to my complaints, but it took a long time for anything to happen. Now, three news executives having acknowledged that the review should not have gone out in the form it did, something apparently is being done to acknowledge the loss privately. True, I might have used a couple of statements from its own declared editorial principles. Nevertheless, it is difficult to work up sympathy for the idea that CDNPA's mild old Statement of Principles somehow puts any newspaper in danger—any danger worse than having to live with any known principles.

There is a faraway, green land of spectacular beauty...



GREEN ISLANDS, ANTRIM



WHITE ISLAND PROLINGS



... where stone fences divide rolling hills of greenery, castles sit high above craggy cliffs, windswept moors open to white, Atlantic sands, and life moves at a leisurely pace. Where an Irish mist hangs low over the verdant landscape giving it a mystical, haunting appearance before lifting to unveil brilliant sunshine highlighting endless fields of sheep.

A small country, a mere 136 kilometres from top to bottom, it whispers of rustic pleasures, historic townsites and outdoor splendours. Studded with reminders of the past — Stone Age tombs, Celtic crosses, even fairy rings, some say — this northern island beckons visitors.

Come, explore rural roads that lead to tiny villages where they still dance the Irish jig, play the fiddle and gossip over Guinness. Come and see the cities where heritage buildings meld with modern day architecture, where the wonders of the past are not forgotten in the bustle of today. Come, be our guest in cozy, seaside inns or elegant, Georgian manors. Come taste the freshness of homegrown fare and freshly caught seafood. Come walk the trails, fish the lagoons (lakes), and golf the greens.....there has never been a better time to visit Northern Ireland.

BELFAST - THE GATEWAY

The gateway to this small country with a big, friendly heart is Belfast, the capital. Once a city geared to industry, today the metropolis of half a million, puts on a grander face.

Victorian and Edwardian facades have been tidied up to show off elaborate sculptures. There are wide, pleasant pedestrian ways lively with street business. Vast green spaces surround Belfast Castle, set high on a promontory and, even higher, in Carr Hill — carved by Neolithic men and known as 'Napoleon's Nose' it gives a glimpse of Belfast's sense of history as well as a panoramic view of the city.

Two of its finest buildings are City Hall with its Italian marble interior and



copper dome that rises high above the city scape, and the refurbished, 1895 Opera House elaborate in decor and a favourite with cultural buffs. Queen's University, stately and picturesque, is another cultural hub.

Belfast is a city with a village friendliness — it welcomes shoppers and sightseers. Ask a local where to find 'the music' (fun) and they'll not only point you to one of the many welcoming pubs, they'll probably join you for a pint. Belfast is a roaring send-off to the best of Northern Ireland.



DOUGHLA

FREE WHEELING THE ANTRIM COAST

The ribbon of road twists, winds and climbs through green spaces dotted with steep, above jagged cliffsides that overlook hidden-away coves and wide strands of pristine beaches. Ever-changing, the pavement meanders through sleepy, fishing villages, past medieval ruins, alongside world-class golf courses and divers to some of Mother Nature's hidden treasures — green, green glens where roes run and, some say, 'wee folk' too.

Surely one of the world's most spectacular drives, the Antrim Coast Road is 96 kilometres of pure pleasure for drivers and scenery-lovers. Beginning on the east coast at Larne — ferries arrive here from Scotland — the route hangs above chalky cliffs on the right and profusions of greenery on the left.

The Glens of Antrim are raw green valleys, well worth sidetraps, as they are rich in lustrous growth, tumbling waterfalls, fern-laden, mossy embankments and myriad birds. It is little wonder that our popular Irish myth

has these verdant glens as the home of mischievous fairies.

History unfolds along the way — the castle at Glenties is the home of the Earls of Antrim, Carrlough boasts an inn once owned by Winston Churchill and Portlough's stone-roofed church is Ireland's smallest. Cushendun's pretty Cornish cottages overlook a scenic beach.

Soon after the road turns north — where the North Channel meets the Atlantic Ocean — you will be ready for a walk. To reach Carrick-a-Rode Rags Bridge, you follow the well-carved path through hillsides spangled with wild roses and daisies, the bridge spans an 18-metre chasm to a tiny, steeply graded island. Not for vertigo-sufferers as the waves splash 24-metres below, the trip across gives great picture opportunities of the steep cliffsides melting to a carpet of green and backed by a brilliant blue sky. On a clear day you view the Mull of Kintyre in Scotland.

This stop is a warm-up for the next one — the Giant's Causeway — Northern Ireland's most famous landmark and one of the world's strangest phenomena. At the impressive Visitor Centre you will learn that the 40,000 stone columns that

stretch into the sea date back millions of years to volcanic eruptions and cooling lava. However, many prefer the Irish version to the geological one: that the causeway is the work of Finn McCool, the giant Ulster warrior and commander of the legions of Ireland's armies. When Finn fell in love with a lady giant on a Hebrides island, he built this walkway so that she could reach his home.

A UNESCO world heritage site, the



Thousands of columns, mostly hexagonal, form a jagged pathway along the coastline and stretching into the ocean. Adults become playful, clambering over the uneven columns - the tallest are some 12 metres high, others have a worn, silky look to their black, slick surface. Whether formed by nature's anger or Finn McCool's ardour, once experienced, the Giant's Causeway will never be forgotten.

While most of the sights and experiences on this coastal drive - also known as the Causeway Coast - are of a local nature, there is a commercial stop closely that should not be missed. The powerful town of Bushmills is home to the world's oldest legal whiskey distillery and Irish whiskey is acknowledged as among the best. A tour can be taken here to see how the famous Blended has been brewed since 1683 and yes, there is a sampling room!

Back on the coast, is another picture moment, as the thirteenth century Dunlady Castle is precariously perched on a steep promontory. Legend has it that a "banshee" (Irish female ghost) sweeps the floors at night.

This is a perfect place to end a day's drive, back into fresh seafood and muddle down at a hotel, seaside inn. Tomorrow will disclose other pleasures that Northern Ireland has to offer.

A PROUD PAST

The countryside of Northern Ireland holds secrets of the past. Tucked onto a corner of a field or in someone's garden are Stone Age tombs; along a quiet road are remnants of a seventeenth-century castle, and "raths" - early Christian farmsteads marked by circular ditches and banks - are idly spotted throughout

the saint overlooking the village of Seel, and ends at his grave in the peaceful churchyard of Down Cathedral in Downpatrick. The Georgian city of Antrim was dubbed "my sweet hill" by St. Patrick, who, by legend, received all snakes from this island. Here in Antrim, is where the roared snail built his stone church on the hill where an Anglican cathedral now stands. Antrim is considered the spiritual capital of Ireland.



the country. Visitors, whether self-driving or on an escorted coach tour, find themselves peering through windows for pictures of the past.

Uniquely Irish religious crosses were put up between the seventh to twelfth centuries - one over five metres high can be seen at Ardara in County Tyrone. Intricately carved, these crosses are works of art as well as ecclesiastical treasures of yesterday.

On Bellin Lough, a short drive from the city, stands Carrickfergus Castle. Even now its stone walls and towers look daunting - surely what John de Courcy placed where he started building the massive structure to protect his entrance to Ulster. Well preserved, today visitors can wander its dark dungeons and high towers, even take part in a medieval banquet and, on August 1 each year, enjoy "bagnano" a medieval feast, complete with archers, musketeers and musk.

FOLLOWING ST. PATRICK

In County Down, one can follow in the footsteps of Ireland's favorite saint, St. Patrick. It is credited with bringing Christianity to Ireland over 1550 years ago. The 48-kilometre Inland Trail traces a historical, religious route taking in castles and abbeys, the famous statue of

and this ethereal quality can be experienced today with a visit to Navan Fort.

LISTEN TO THE PAST

Archaeologists discovered that a large, wooden structure was built in Navan in the days before Christ. Considered to be a sacred place, all that remains of the original structure is a large mound. Today, a modern building houses an archaeological and mythological visitor centre. Listen! You will hear stories of a pre-Christian Ireland and the wonder of the Celts. Thanks to technology, visitors are transported along an information highway rich in archeology and mythology.

HISTORY AT ITS BEST

The city of Londonderry reconnects with tales of history. Still known as Derry, a derivative of the Gaelic word "derr" which means "place of walls", visitors can walk on top of the seventeenth-century walls and marvel at how the townspeople survived the siege of 1688. Then, and other tales of Derry, the only completely walled city in Ireland, can be discovered at the Tower Museum where the "The Story of Derry" takes visitors from pre-Christian era to present day.

Perched on the Atlantic edge of

Ulster, Londonderry was the departure point for thousands of immigrants who sailed off to a new life in North America. A favorite pastime of visitors today is to trace their Ulster roots - even visit an ancestral home.

THANKS TO THE TRUST

The Ulster people are proud of their heritage and much of the historical and natural history is well preserved thanks to

the National Trust, a charitable heritage organization that dates back to 1895. The Trust preserves natural reserves like the Giant's Causeway and the wildlife-abundant Strangford Lough as well as stately houses and well-loved pubs. In Belfast, pop into the Crown Liquor Saloon on Great Victoria Street, it still has gas lighting, fine woodwork, distinctive stained glass and stucco - cozy, drinking booths.

The magnificent Mount Stewart on the Ards Peninsula is noted for its splendid - and unusual - gardens, the delight of the Lady of Londonderry, wife of the seventh Marquess. Cascades of greenery, amazing topiary art and profusions of flowers along with stone statues of griffins, dinosaurs and monkeys make this garden unique. A delightful, political hostess, she gave her guests pet names. Winston Churchill for example, was "Winnie the Warlock". For many, the eighteenth-century country home is the highlight of any tour.

MADE IN ULSTER

Shipbuilding, linen, whiskey, pottery, weapons... the products and crafts of Northern Ireland are the result of age-old traditions and superbly honed skills. This small country abounds with industrial



BLOOMING IDEAS

heritage attractions

In Belfast City Hall a mural chronicles this city's rich industrial heritage and, at the Ulster Museum, visitors can look back to the early 1900s when Belfast was the engine room that drove the wheels of the industrial revolution in Ulster. Of course, Belfast shipyards still dominate sections of the harbour front.

In Lisburn, at the recently opened Irish Linen Centre, a tour takes you through a spinner's cottage, past Victorian mill girls working and into the modern day where today's fine products are the result of high technology. However, you can still chat with hand-loom linen weavers and take home the best of Irish Donegal linen, its roots go back 300 years.

Anyone who has tasted the real Irish coffee, knows that the whiskey used is the difference. Bushmill's whiskey, sailing smooth to the taste and golden-colored, is the whiskey used in the original recipe. Today it is still made with the peaty water of the River Bush, just as it was in 1696.

Shopping for gifts to take home from Northern Ireland is a pleasant pastime as you choose from Irish hand-knit sweaters (called 'jumpers' here), County Tyrone's exquisite 'mouth blown and hand cut' crystal and the world-famous Belfast porcelain. Of historic cream-cake, Belfast's hallmark is delicate, lattice-worked biscuits. Covered by mugs, Belfast dates back 138 years and you can tour Ireland's oldest pottery and museum in Finneragh.

Many of the gifts you bring back from Northern Ireland will symbolize this small country's immense pride of heritage as they are the result of talents and skills passed down through generations.

A PLAYGROUND OF PLEASURES

If any country was ever designed with outdoor activities in mind, it is this one. Northern Ireland is thick-fall of challenges for outdoor-lovers. The lengthy Ulster Way beckons walkers and bikers, the whitecapped, misty waters of the ocean lure sailors, tranquil, inland

waterfalls and the sweeping moorland attract horseback riders, rural roads please cyclists, and the world-famous Irish lake the most adept golfers.

It is every golfer dream to pack the clubs and visit unknown courses. Northern Ireland has 80 to choose from and two of these — Royal County Down and Royal Portrush — are ranked in the world's top twenty.

It's a joy to go home and say you met the challenge of the ocean-side links of Royal Portrush and managed the notoriously difficult Royal County Down — where the Mountains of Mourne really do sweep down to the sea. But the big payoff will be the pure pleasure of playing a round with the locals, breaking off to replay your game over Guinness and staying in comfy bed and breakfast. The Irish really do welcome golfers, after all, it's a game that's been played here with enthusiasm for over 100 years.

And while Royal County Down and

Royal Portrush have, of course, put Northern Ireland on the world golf map — Portrush is the only Irish course to host the British Open (1951) — there are dozens of other courses which will put big smiles on golfers' faces. Modern Golf Course in Belfast is scenic with many water challenges and Ardara Golf Club in southeastern County Down has views of pirate days as well as the added difficulty of taking off into an ocean breeze. From some of the cliff-top tee-offs, you can see the tale of Man in a clear day.

And, while Northern Ireland does have some dreary autumns and winter days — that's how the courses stay so green — spring and summer days are often clear and warm. Truly a golfer's mecca.

A WALKER'S WORLD

If walking is your pleasure, there are endless well-marked trails to lead you as your way. The BIG walk is the almost 100-kilometre Ulster Way which circles the whole of Northern Ireland. This well-marked route, which takes in all our counties and encompasses every

wonderful aspect of Ulster scenery, can be done independently as there are excellent maps available. Accommodations, ranging from cosy inns to youth hostels, are only short distances from the route which rambles through the moors, along cliffs, up steep hillsides, through leafy glens and into sleepy villages.

Even for the most dedicated walker, this ambitious route can take about a month. Thankfully, it is easily walked in sections which can be pleasant day trips or stretch to weekends. And, typically the way of the Irish, there are always links of history woven into these excursions. Turrets of Glencrow Castle are visible as you bring the Shann's Hill section, you pass ancient burial mounds when in the Carragh Mountain area and on a 18-kilometre Mourne Mountain hike along a smuggler's trail. These short walks, ranging from four to 15 kilometres, lay



LIFE IN THE ROYAL PORTRUSH

be incentives to someday take on the Ulster Way. Or, and if you do want some company, there are operators that specialize in guided trips.

There are endless possibilities for cyclists in Northern Ireland. Once out of the cities, the roads are peaceful and well sign-posted, the air is fresh and accommodation plentiful. Local tourist offices can supply cycling maps.

BIRDS GALORE

The inland lochs, soaring cliffsides, reedy marshes and forested hillsides abound with wildlife. Ornithologists have many choices. Strangford Lough, protected by the Ards Peninsula and sprinkled with islands, is a haven for terns, gulls, oystercatchers, redshanks, and curlews as well as a variety of ducks and predators. Lough Neagh, the largest freshwater lake in the British Isles boasts an amazing number of wistering waterfowl and all the coast of Rathfriland, Rathlin Island has many species of cliff-nesting colonies. Wildlife birders can easily join local groups on excursions or pick up material from the Tourist Board and get off on their own.

WATER, WATER, EVERYWHERE

Water activities on rivers and lakes include packrafting, canoeing and windsurfing but the big news is the opening of the Shann's River Waterway which connects Northern Ireland with its southern neighbor. Originally the Rathfriland-Rathfriland Canal, this 42.5 kilometre waterway links Lough Erne in the north with the famous River Shann in the south.

There's a lot to be said for a peaceful, self-supplied water voyage and this one has it all as it weaves together streams, moors and lakes into a serene land flow. The cruiser under ancient stone bridges, beside golf courses, through 16 locks, and into narrow-canal lakes — you can easily disembark, cycle for awhile, pop into a pub for lunch. Cruisers can be rented in several towns and they are a convenient means, complete with all the amenities.

In spring and early summer the air is sweet with the fragrance of wildflowers, the birdsong along the waterway is exuberant and the overhanging landscape reveals ruins of the past like the Early Christian monasteries at Bea



NORTHWESTERN IRELAND

land or Enniskillen Castle on the Erne. What a thrill to follow the route once started by Celtic Christians in the seventeenth century.

Fishing in Irish waters is another joy and it's easy for visiting anglers to acquire a fishing license, check in with a local supplier should gear be required and head for the closest river, lake or loch.

Upper and Lower Lough Erne are favored locations where brown, cut, perch, pike, and roach and all possibilities. To find out where the fish are biting,



THE SHANN RIVER

your best bet just might be — you guessed it — a stop at the local pub to talk to local anglers. You'll find them a friendly lot.

For the best of the sunbathers, plan to vacation in Northern Ireland — THERE'S NEVER BEEN A BETTER TIME.

FAIRS, FESTIVALS & 'FLEADH'S'

It's well known that the Irish love music and a chance to kick up their heels

in dance. Head for a 'maistral' pub for a good time and to hear the uilleann pipes (Irish bagpipes), fiddle and bodhran (small drum). In cities, big towns and villages, the pub is the place to be for music, good times and a pint.

And on a warm summer weekend, on either how small the village, there will be a 'fleadh' — traditional Irish music and dancing — or an agricultural fair, folk festival or sporting event taking place. And interest is just as high in classical music — this year marks the 150th anniversary of the opera season at Belfast's Grand Opera House. Whether it be the overt, vibrant tones of an Irish harp resounding through the hallways of Castle Ward or a Saturday night 'craic' (dance), it will be well attended and with great enthusiasm.

Northern Ireland has its share of international talent — flautist James Galway, rock star Van Morrison, pianist Barry Douglas, and folk singer Tommy Sands are a few that characterize this small country's love of music of all kinds.

The country's largest annual arts festival is the 'Belfast Festival at Queen's' in November. The royal Queen's University explodes into an extravaganza as one of the largest gatherings of international talents in the British Isles takes place.

The UK Festival of Arts and Culture 1995 is the focus throughout the British Isles this year and this small country's

part is a big one. Summer months, in particular, are jam-packed with exciting events. Grasshops with Irish roots will be accompanied with the 'Fest in the Fields'. Held in Gerrard, June 23-25, it celebrates Irish dancing, music, poetry, crafts and sports. If you have never seen Gaelic games, this is your chance. Bellefleur's 'O'Connell Fair' in late August is the oldest country fair as it originated in 1806 and September 27, 'Aspects' celebrates Ireland's finest poets, novelists and playwrights in a five-day celebration of their work.

These and many other events highlight the year-long cultural feast of festivals.

FOOD AND ACCOMMODATION

A TASTE OF ULSTER

Melt-in-your-mouth scones, rich cream, succulent lamb, succulent salmon, and have you tasted soda bread made with Mearne honey? The culinary treats of Ulster are fresh and varied.

Start your day with an Ulster fry—a breakfast in platters over the largest appetite. Bacon, eggs, fried potato bread, black pudding and, surprise, some edible seaweed, to keep you healthy.

A feast of oysters—served the same day they are plucked from Strangford's clear waters—washed down with Guinness is a perfect hot snack. Only scotch is, you'll want some.

A hearty dinner combines Irish stew rich

in homegrown vegetables; dessert is freshly picked berries in heavenly cream.

No one loves potatoes like the Irish and little wonder—don't go home without sampling 'Champ'—a flavorful combination of potatoes mashed with milk and spring onions. Seafood gourmet meet by tough Neagh eels—rated the 'tastiest and the fattest' by Archbishop

Laud in the seventeenth century. Have them smoked and eat wheaten bread and you'll agree with the Archbishop.

Oh, and when you are dining out, look for the green and white legs 'A Taste of Ulster' which means the restaurant is offering traditional and modern recipes with the freshest of local ingredients. Enjoy!



A PLACE TO REST YOUR HEAD

After a busy day of sightseeing, your pillow is a welcome sight. Accommodation here is plentiful, from grand, country mansions

to pretty, seaside cottages, and they are reasonably priced.

Self-catering—leasing or renting—is a popular way to go as family-oriented cabins, houses in deer parks, or cottages on islands are all possibilities. Northern Ireland has a good variety of hotels which, of course, today welcome travellers of every age.

There are also many cozy bed and breakfast stays, which lend themselves to a casual holiday atmosphere. And there's no need to book weeks ahead. Northern Ireland offers a last-minute holiday atmosphere and planning your itinerary day by day, is logical and easily arranged. Check the handy accommodation guide at Northern Ireland Tourist Board.

Written by Jack Lees

GETTING THERE

It is much easier to get to Northern Ireland than to the United States. Air Canada, British Airways and Canadian Airlines International offer daily scheduled services to Belfast International via London.

During the peak season (May–October) there are also direct charter flights available from both Toronto and Vancouver to Belfast. The following tour operators offer direct charter flights to Belfast: Air Canada Holidays, Campbell Tours, Regent Holidays, Sunquest Vacations and Whelan Holidays.

For further information and details contact your local travel agent.

FOR MORE INFORMATION

Complete the reader reply coupon below and mail to: Northern Ireland Tourist Board, 121 Avenue Road, Suite 406, Toronto, Ontario M5R 3J6 Tel: (416) 925-8388

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PEOPLE

SUPPORTING ROLES

Working in a cast of beautiful women on the Fox TV show *Melrose Place*, is not what some viewers might imagine, says actress Carrie-Anne Moss. "This is one of the most supportive places I have ever worked," says the Vancouver-born Moss, who works with such glamorous co-stars as Luke Gray, Kyle Trewill, and Gwendolyn Pym on the nighttime soap opera, a spin-off of the highly popular *Melrose Place*. "These women are great." Moss, who portrays Carrie Spencer, is a single-mother-of-three full-on-27 model on the show, laughs off stereotypes of backsliding, out-of-control and competitive women on the set. That stuff might be in the scripts, but otherwise, we look out for one another." She adds, "It's not a Thriller and Lohan thing, but we are proud that women can be buddies."

Moss: 'Women can be buddies'



SCV's chosen at the Gemini: living on in last-night reruns

FUNNY EVER MORE

It has been nearly 23 years since *SCV* first went on the air, but early host Brock Baker, Thomas, Catherine O'Hara, Andrea Martin, Martin Short, Steve Rosales, Eugene Levy and Joe Flaherty gathered in Toronto to receive a special Gemini Award honoring their work. Notably absent were Rick Moranis, who was in *Vacation* filming a movie, and John Candy, who died a year ago. But on March 29, CBC TV will broadcast *To Take with Love*, a one-hour tribute to Candy, with Andrew Alexander, who assembled the original cast troupe in 1976, as an executive producer. And *SCV* itself will live on in reruns. NBC has acquired the distribution rights to all 145 full-hour episodes, which the network plans to broadcast after Saturday Night Live. Says Alexander, now the Chicago-based president of Second City Entertainment: "The irony is that I lived the first six *SCV* episodes in reaction to *Saturday Night Live*, which had scooped away Dan Aykroyd and Gilda Radner."

THINKING GLOBALLY

For a fellow who grew up in the centre of the continental United States, pop guitarist and composer Pat Metheny has acquired a worldly outlook on music. His influences include Antonio Carlos Jobim and Wilson Nascimento, two musical giants from Brazil whose Midway lived for long years. But his musical career—which includes 20 albums and on Guinness with the Pat Metheny Group—has led in Leno Serrano, MA, just south of Kansas City. "The day my brother Mike brought home that first Miles Davis record was the day my life changed," Metheny, 40, said last week while in Toronto as part of a North American concert tour to promote his latest CD, *My Life River*. But while he had to struggle in the 1980s to learn about different cultures and music, young North Americans today are exposed to artists from around the globe whose music is performed on radio and television videos. But Metheny says he dislikes the popular term "world music" that is applied to music as diverse as that from Africa and China. He adds: "We rely mostly on us to say, 'There is our music and then there is everybody else's.'"

Metheny: *World music* influences



ALL IN THE FAMILY

When comedian Carol Shields wanted a collaborator for her new play, she found it in actress in her daughter, Catherine O'Hara. And so, surprisingly enough, *Protein Power* and the *Cherry of Families*, which opened last week at Prince Theatre Exchange in Winnipeg, is about family life. Having indicated occasional help from her daughter for two previous plays, *Thirteen Months* and *Annals and Departures*, Carol, 56, and Catharina, 33, were eager to try working together on a play from the ground up. "We're always talking about writing, so this play just grew out of what we were talking about," said Carol. It was genuine teamwork, with each woman independently writing different



Catherine, Carol Shields: 'We're always talking'

scenes, then comparing notes. And while it could have been daunting to work with the author of the award-winning *The Stone Diaries*, Catharina, a full-time librarian at the Winnipeg Art Gallery with little writing experience, says her husband's past writing, as well as her own, helped. Carol agrees, adding that writing with a partner can be a tonic. "You can go in different directions that might not be your own."

Campus cross fire

Controversy dogs a president's reappointment

FOR \$15 a year on a suburban Saturday in January, the turnout was impressive: 55 angry faculty, staff and students gathered outside a new campus building on the Mount Allison University campus. Inside, something equally noteworthy was under way—a vote by the board of regents on whether to appoint Len Newbould to a second five-year term as president of the tiny tier of arts school in Sackville, N.B. There was no mistaking the protesters' position: "Please postpone reappointing Len Newbould until an open review process has taken place," read the flyer headed to each board member entering the building. "Let the hearing begin!" But it soon became clear that the time for hearing was not at hand. Instead, after a short discussion, the board members voted 26 to 4 to reappoint Newbould the first Mount Allison president in almost three decades to be given a second term.

Tenacity—almost always in the face of controversy—has become a Newbould trademark. Everywhere he turns these days, the former University of Lethbridge, Alta., historian is surrounded by critics. Days before the Jan. 24 vote, Mount A. faculty voted 82 to 9 against the reappointment. That symbolic act of protest culminated a similar 21 to 4 vote by the student council. "The target of the discontent insists that the anger is over issues to do with a debt load that has threatened the viability of the 125-year-old university, that others maintain that Newbould's leadership management style has turned a budget deficit into an all-out cross-country war," says Percy Crawford, chairman of Montreal-based Inco Inc. and chancellor of the university. "My job is to be a catalyst to heal some of these wounds."

But will this work? Time will tell. And estimates with a string of Rhodes Scholars to its credit, Mount Allison has topped the list of generally undergratified institutions in the past three Marlow's university rankings. Still, when Newbould took over as president in 1981, he inherited a financial crisis: a \$10-million debt plus an annual deficit of \$1.5 million. "If we were a corporation," Newbould

said last week, "we would have been in receivership." His mandate from the board of regents was to put finances in order without sacrificing the school's core environment.

No one doubts that the first part of the equation has been achieved. Three years of cutbacks—including the amalgamation of

classes repeatedly with those affected by the de-hi-teaching. In 1992, Mount Allison cut funds a little, often personalized snicker by faculty angry at demands for concessions on wages and retirement conditions. And last year, support staff mounted their own 46-day strike after Newbould insisted they give up a range of benefits and job security promises. But disputes never erupted throughout Sackville, population 5,500, a town where at most everyone either works at the university or is related to someone who does.

Through it all, Newbould has remained unflappable. Ultimately, he maintains, professors are simply experiencing frustration over an inevitable loss of clout that has accompanied harsher economic times. "Throughout the '60s and '70s, faculty members held the preponderance of power," he explains. "Now, they are finding that the authority lies with those who provide the funding."

But many say the president has pushed that philosophy too far. Collegiality—once the hallmark of decision-making on campus—is said by some faculty members to be dead. "It is not so much what he does, but how he does it," says psychology professor Christine Storm. "He has a very confrontational style." Students, meanwhile, complain about having no say in many matters—including a decision earlier this year to turn the largest and oldest all-steel residence into a steel frame. "Universities are supposed to be confidante to their speech," says student council president David Seaton. "We feel like the administration is running things as closed, unaccountable manner."

The upsurge surrounding Newbould's reappointment has certainly reinforced that perception. Both faculty and students asked for a vote in the review process when they learned the matter was on the agenda for the board of regents meeting. Their anger boiled over when it became clear that the vote would be taken behind closed doors—a decision that some board members, speaking to *Maclean's*, now acknowledge may have been a mistake. With Newbould securely in place for another five years, the rifts on campus appear to be wider than ever. According to the president, the key to maintaining academic excellence is to not make petty decisions. Perhaps weary from fighting, some on the campus seem to agree. "We just have to live together," says Ross Barclay, a recently retired chemistry professor who taught at Mount Allison for 43 years, "and we'll get beyond it." Sage words—but only if both sides are really listening.

JOHN DEWONTE in Sackville



Newbould: If we were a corporation, we would have been in receivership.

several faculties—have allowed Newbould to raise the debt and find \$15 million to spend on long-overdue renovations. "He did what he had to do without levels or top-down pressures," declared David Beall, vice-chairman of Mount Allison's board of regents. Many of those in the wider academic community believe that Newbould has made the best of a difficult situation. "The worst laid out in these times would be to do nothing," said Robert Prichard, president of the University of Toronto. "Len Newbould has had the courage to do a lot."

Still, Newbould's administration has

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Nuclear mausoleums

Two scientists fear that buried radioactive fuel might explode

BY MARK NICHOLS

Ever since the nuclear power industry was born during the late 1930s, scientists have debated the dangers radioactive byproducts that the electricity-generating plants produce. Proposed solutions have included shooting nuclear waste into space or burning it under ocean floors. But most international nations have concluded that deep underground storage is the answer. Over thousands of years, proponents of the idea claim, buried nuclear waste would gradually lose its radioactive sting while posing little risk to the environment. Now, physicists at the U.S. National Laboratory in Los Alamos, N.M., have challenged those conclusions, raising doubts by suggesting that at certain circumstances radioactive waste leaking from corroded containers could begin a fission process, which in turn might trigger small-scale nuclear explosions. The theory, which became public last week, ignited a bitter controversy inside the highly regarded Los Alamos laboratory—and provided anti-nuclear campaigners with new ammunition at a time when both Canada and the United States are considering proposals to begin storing nuclear waste as radioactive waste.

Some environmentalists speculated that the controversial theory could doom Washington's plan—tentatively approved by the state of Nevada—to start burying nuclear waste under Yucca Mountain, 100 miles northwest of Las Vegas, by the year 2010. In Canada, where the federal and Atomic Energy of Canada Ltd. is currently trying to drum up support for a proposal to bury nuclear waste at a yet-to-be-chosen site, officials worried that in the proposed Canadian storage system there was virtually no risk of underground nuclear blasts. Declared Ben Dornheim, director of AECL's waste management program, "Our scientists can't see any way it could happen."

But many environmentalists said that the nuclear blast theory itself served to underline

some of the many dangers associated with underground storage, including the risk of radioactive waste leaking into the water table and thus endangering the environment and human lives for generations to come. "Over a period of thousands of years," said Steve Schulman, a Toronto-based spokesman for Greenpeace Canada, "the risk of leakage and contamination is far too high."

The alarming notion that buried waste might be capable of causing underground nuclear blasts first was raised at Los Alamos last year. Charles Bowman and Francisco Venzetti started with the assumption—shared by many experts—that after thousands of years of underground storage, metal corrosion could allow some radioactive plutonium to seep into surrounding rock formations. The scientists speculated that if enough waste collected in one spot, somehow—their behavior aided by their passage through surrounding rock—could act as a neutron, igniting other atoms and initiating fission. If that process continued long enough, a nuclear blast might result. To evaluate this alarming prospect, Los Alamos officials set up a review team involving about 30 scientists, who found flaws in the theory. But because uncertainty remained, laboratory officials decided to invite a wider scientific review by making public the scientists' paper in which Bowman and Venzetti set forth their theory.

Despite a barrage of criticism from his fellow scientists, Bowman, the main proponent of the theory, stood his ground, arguing that an initial nuclear blast might set off a chain reaction of other batches of stored waste. "I don't know what all the consequences would be," Bowman told Madsen. "But it could be pretty serious." Some critics at Bowman's theory noted that it was in his own view to find fault with the idea of underground storage. The reason, Bowman's job at Los Alamos is to de-

Research or threat near Princeton, Ont., controversy

sign an alternative system in which particle accelerators would be used to transform radioactive waste into safer materials. Other Los Alamos scientists insisted that the nuclear explosion theory was so seriously riddled with scientific errors that it simply could not be held "I feel personally embarrassed," said Jim Mercer-Smith, leader of Los Alamos's thermo-nuclear weapons design team, "because the theory is going to make people think we at Los Alamos are all idiots."

The controversial theory was another blow to the Yucca Mountain storage plan, which is already under fierce attack by the state of Nevada. Public opinion polls have shown that about 50 per cent of Nevadans oppose the plan, and the state's Democratic Party administration has vowed to take Washington to court rather than let nuclear waste stored under the mountain. "There are no nuclear reactors in Nevada," says Robert Lamm, executive director of the Nevada Agency for Nuclear Projects, "and we want the idea of being used as a disposal site for an industry located elsewhere in the country." Moreover, environmentalists and other critics point out that a history of volcanic and earthquake activity in the area under Yucca Mountain is a poor choice for a nuclear waste site. "Washington has consistently attempted to skew research results to make the site look suitable," says Lamm. "Nevada is simply not going to stand for this. There is no trust here in the federal government."

Bowman's theory could also add to public unease over the idea of burying nuclear waste



In a proposed disposal scheme, underground nuclear burial chambers would be carved from granite inside the Canadian Shield. Most tunnels would provide access to smaller vaults, where containers could be sunk in vertical borholes and surrounded by protective material. Eventually, the nuclear waste containers would be sealed with concrete and earth.

deep within the Canadian Shield—the mantle of ancient rock that covers most of the eastern and central Canadian landmass. A proposal to permanently that was unveiled last November by AECL and Ontario Hydro, the publicly owned provincial utility that operates 30 of Canada's 22 power-generating CANDU reactors. The sites have been proposed, but AECL officials are in the midst of a cross-country tour aimed at making Canadians aware of the underground storage plan that is based on 15 years of research. Situated at AECL laboratories near Pinawa, Man., 100 km east of Winnipeg, lies Shieldstone, a massive structure of radioactive material on rock and the concrete characteristics of metals. As well, technicians working to underground chambers built

to the local granite about 15 km north of Pinawa are assessing drilling techniques and evaluating materials that can best protect stored radioactive waste. According to Dornheim, the radioactive research has enabled AECL to propose a storage system that would be one of the best—and safest—in the world. In the proposed system, a network of tunnels and storage chambers would be carved out of granite at depths that could extend to more than 3,000 feet below the Earth's surface. Nuclear waste would be in a system of copper containers would be surrounded by buffer materials such as a clay-based mud mixture. They then could be encased in vertical borholes sunk beneath the floor of the chambers. Once a section of

the underground repository was filled with containers, concrete and earth backfill would be used to seal the chambers. Builders of the plan say that the Canadian system is superior to the U.S. plan because rock in the Canadian Shield is less fractured and less porous than the Yucca Mountain formation—making it harder for water to reach and corrode the storage containers. Says Dornheim, "We've come to the conclusion that disposal of nuclear waste in the Canadian Shield would be safe. The risks are very small."

A full-scale study of the Canadian plan, including public hearings, is expected to be launched later this year or early in 1996 by the federal Environmental Assessment Agency. Only if Ottawa approves would a search for likely sites in the Canadian Shield be launched—and that process, say AECL officials, could take another 20 years. Under that timetable, officials say that underground storage in Canada could not begin until the year 2025—at the earliest.

While the AECL plan is designed to deal only with nuclear waste generated by Canadian oil and power plants—about 15,000 tons have been produced so far—some environmentalists suspect that Ottawa may have other motives in mind. While the Yucca Mountain repository, too, is designed for the storage of commercially generated nuclear waste, Washington is faced with the problem of disposing of more than 50 tons of weapons-grade plutonium left over from the Cold War. Last year, AECL suggested that, for its part, Canada's capacity might well safely dispose of the plutonium by burning it as fuel. That suggestion, which is being studied by the U.S. energy department, angered environmentalists who pointed to the hazards involved in transporting highly radioactive plutonium across the country. And some environmentalists fear that Ottawa might someday be pressured into storing U.S. nuclear waste in the Canadian Shield. Says Greenpeace's Schulman, "I think Canada might be a little bit of a wise guy stuck in an unwillingness to take other people's nuclear waste."

While controversy swirls around Bowman's theory, nuclear experts and geologists agreed that he had raised at least one valid point in considering any plan for underground nuclear waste disposal, the issue of whether the site at which a waste material sits at a given location—must be considered. AECL officials admit that the issue has been studied inadequately—and that the risk of nuclear reactions, or explosions, is one in the Canadian plan. Said Les Sherriff, a professor emeritus of chemical engineering at McMaster University in Hamilton, who is chairman of AECL's technical advisory committee on waste disposal, "I find it impossible to think of processes by which anything approaching certainty could occur." Yet the shock waves in Bowman's disturbing theory are likely to intensify for some time, adding to the difficult choice faced by nations who are struggling with public approval for the idea of sealing toxic and radioactive substances in the bosom of the planet. □

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SURFING THE NET

As unimaginable as it may sound, there may still be Canadians who have never even heard about the Internet. But their numbers must surely be dwindling, for the simple reason that the only thing that is expanding faster than the Internet itself is the sheer volume of cyberspace hype. Beyond the current of publicity, however, what is the Internet and why should anyone care? And how do people connect to the Internet so they can discover for themselves its status and uses?

First, some background. Far from being an overnight phenomenon, the Internet has been around in one form or another for the past 25 years. It started out as a U.S. military project, to connect various computer networks around the globe and to ensure a continual communications link. Over the years, scientists, governments, academics, students and computer hobbyists have jumped aboard—to the point where the Internet now links more than 10 million computers across the world, each of whom can share the vast deposits of knowledge available from other people and other computers.

In Canada, hundreds of thousands of people of all ages and walks of life already "surf the Net." For some undeniable reason, it is almost impossible to discuss any aspect of the Internet without slipping into metaphors. At the moment, "surfing," "browsing" and "digging" are among the most popular terms, the overworked phrase "information highway" is now only used by noobs. ("I've only been on for a few months but it's great—I've saved a fair bit on my long-distance bill," says Kruthe Hunsicker, a California University student in Ottawa who often uses the Net to exchange e-mail [electronic messages] with her parents back home in Minnesota, Ont.)

Starting from scratch, a beginner can usually link to the Internet for less than \$2,000—but that is by conspicuously avoiding all frills. That includes buying a computer, the basic software and a modem that can be plugged into the nearest telephone line to send and receive data. At this point, there are a number of options. As city-dwelling people, it is just one of the many popular computer services such as CompuServe, America Online, Prodigy, Delphi or Apple's EWorld. Each charges a monthly access fee, usually less than half the cost of a regular cable TV bill. Members are typically entitled to a fixed number of free hours; additional use is charged on a per-hour basis. On the access method, the unlimited access is a range of fee services, with extra fees charged for special services.

For now, most of the large commercial on-line net

works offer only limited access to the wide range of services on the Internet. On the plus side, each provides members with a user-friendly environment and a shiny graphical interface that helps the user navigate with ease. A click of a mouse button gives access to libraries of information, current stock quotes, photos, chat rooms and e-mail—even heavily derivatives to look up other members. And the giant Microsoft Corp. will soon have its own on-line service. The company's goal is to sign up many of the 50 million consumers who already use its software products, creating a service rivaling in size the Internet itself.

Another more ambitious alternative is to sign up with a commercial service that provides direct access to the Internet. In the past year, many have popped up to meet the growing demand for on-line access. Commercial services are based on an increasing number of Canadian communities and generally provide customers with excellent support and competitive Internet access for between \$20 and \$30 per month, which includes a specified amount of connect time. If that is too expensive, try the FreeNet approach—one on-line access without all of the bells and whistles, run by volunteers who solicit on grants, donations and sponsorships. Offering a strong sense of community and links to similar services around the world, FreeNet has set up and remains as a growing number of communities including Toronto, Halifax, Edmonton, Vancouver, Winnipeg and Windsor. B.C.'s National Capital FreeNet, with nearly 40,000 members, is Canada's largest. On the downside, FreeNets usually offer only restricted access to some Internet services and are often to popular that users who attempt to dial up get only a busy signal.

Whether you opt for a commercial access provider or a FreeNet, the process of getting on to the Internet is similar: you dial the service's computer (preferably using a local number, to avoid long-distance charges), log on with your password and then choose the feature you want to use. Goodbye.

E-mail is by far the most popular. As soon as you register with an access provider, an e-mail address is allocated to you. With it, you can send messages to any other Internet user around the world, regardless of distance, location or time of day (you pay only for connect time). Messages are in text form, though eventually email will also have audio and video capabilities.

• **Usenet**, the global discussion centre. If the mind can imagine it, then Usenet is where it is discussed. There are currently more than 10,000 individual "news groups"

ranging from recycling and sea politics to all sex pedophilia. Because the system is anarchic and decentralized, visitors here will find the very best and the very worst contents of the Internet. Each Usenet news group contains a file called Frequently Asked Questions. It explains everything about that particular news group.

• **The World Wide Web** Perhaps the most exciting destination on the Internet, the Web is an ever-expanding network of documents called "homepages" which are accessed using software packages known as "web browsers." Web homepages can contain text, graphics, sound and

even video. Just about any Internet user can have his or her own homepage, and because of this, the Web is constantly expanding as new homepages and new links are created. With this service, you can download pictures from the Louvre, learn about an upcoming NASA expedition or watch a video by an undiscovered Vancouver grunge band.

• **Telnet** allows users to connect their computers to other computers. A user can dial up his local service and then Telnet to the Colorado Project in Britain without incurring long-distance charges. You can also Telnet into government directories, weather services and various libraries around the world; then search for files that can be retrieved, displayed and then downloaded.

Even for those who do not own a computer, the global reach of the Internet is still accessible. In many public libraries and universities, terminals are available to the public. As

another option is to visit one of the freely now computer-equipped public libraries now opening in Ottawa, Toronto and Vancouver.

Like any new technology, the Internet has its champions and its detractors. Some want to diffuse and control it. Others see it as the last bastion of free thought and unconstrained expression. Either way, the Internet seems to be here to stay. "I thought the Net would go the way of CB radio, but now I think it's just getting started," says Toronto Sun cartoonist Tim Proctor. "It creates a sense of community." Proctor has been online only a month—a "newbie."

To use the vernacular—but already be correspondents with him and other commentators as far away as Texas and California. Thanks to the Internet, the world is at his fingertips.

PHILIP BOULQUIN



Backpack

Heart alert

When Giuseppe Gagne visited a hospital emergency room complaining of chest pain one night two years ago, a doctor told her she was probably just experiencing an anxiety attack. "It didn't make sense," recalls Gagne, who had spent the evening mulling up a concert. "I didn't feel as if I was in a panic, and the pain was so intense." Nevertheless, she followed the doctor's advice, went home and took a painkiller. Four days later, the pain returned. This time, an ambulance rushed the 45-year-old community worker to the hospital—where a blood test revealed that she had suffered a heart attack. Gagne, who now lives near Toronto, Ont., with her husband and teenage daughter, knew that her high cholesterol level, excess weight and family history of coronary problems made her vulnerable to heart attack. But neither she nor her doctor ever expected it would strike at such

an early age. Says Gagne, "I had a false sense of security."

So do many women. Although public awareness of the risk of heart attack among women is increasing, most women still believe it could never happen to them. "It is seen as a man's disease," says Dr. Lauretta Daniel, a cardiologist at The Toronto Hospital and an adviser to the Heart and Stroke Foundation. A recent survey by the foundation, for example, found that 88 per cent of women feared breast cancer as the most threat to their health. In reality, heart disease and strokes are the major cause of death among Canadian women—killing eight times as many as breast cancer. Despite that, many physicians were trained to look for heart disease primarily among men. "When we think of a typical patient," says Daniel, "we think of a man."

According to Statistics Canada, heart disease affects both sexes in roughly



▲ Although both patients need for genetic public awareness

equal numbers—killing 41 per cent of female deaths and 37 per cent of male deaths in Canada in 1992, the most recent year for which figures are available. But there are important gender differences in heart disease. Typically, men develop heart problems in their 40s. A variety of risk factors, including heredity, diabetes and smoking, cause some women such as Gagne to suffer heart attacks in middle age. But most women—protected until menopause by the female hormone estrogen, which helps to control cholesterol levels—maintain healthy hearts at least 10 to 15 years longer than men. "That is part of the reason for this," says Dr. David Mann, head of cardiology at the New Brunswick Heart Centre in Saint John. "We tended to focus on 40- and 50-year-old men because in 40- and 50-year-old women, the incidence of heart disease is very low."

In addition, women who experience heart disease often have different symptoms than men. Women frequently do not experience the stereotypical warning signal of heart disease—the tightness or rubbing chest pain known as angina. Instead, the reasons that are not fully understood, they often display more subtle symptoms that are less likely to be diagnosed: chest discomfort, dulled pain in the shoulder, neck or back, fatigue or short-

ness of breath, or feelings of nausea and indigestion. Because these symptoms are vaguely defined, women may delay seeking medical attention—a fact that could partly explain why women who suffer heart attacks are twice as likely as men to die. "The longer you wait before you go to the hospital," says Mann, "the greater your chances of dying."

Another problem is that one of the most common diagnostic procedures for heart disease, the stress test, is less reliable for female patients than for males. In part, that is because breast tissue over the heart

triggers a heart attack. "There is potential for damage," says Rosamund Gray, "so we tend to drag our feet on that."

According to the Heart and Stroke Foundation, some doctors have also been reluctant to order women for bypass surgery because studies in the past suggested that women suffered more complications after such procedures. But Toronto cardiologist Dr. Lydia Nickleborough says that the latest research, taking age and other factors into account, suggests it is obsolete that belief.

It could take years for researchers to answer other crucial questions about heart disease in women. Meanwhile, doctors advise women to try to become more aware of the symptoms and, should they occur, seek prompt medical attention. "Men tend to be more aggressive in seeking attention, getting to a hospital earlier and waiting bypass surgery and angioplasty if it is needed," says Daniel, adding that female patients often decline such treatment if it means an extended stay in hospital. "They ask, 'Who's going to look after my family, my husband, my house?'"

Gagne, who has switched to a healthier diet and a more active lifestyle, agrees. "Women should treat their symptoms the same way they would treat their husband's symptoms." As Gagne knows from experience, taking that advice to heart can mean a longer life.

SHARON DOYLE DRECHER

Research shows that women suffer coronary problems as often as men

ness, and the presence of female hormones, can influence the results. "We're in a grey zone," says Vancouver cardiologist Dr. Diana Savanagh Gray. "We have typical symptoms, and we have unreliable exercise tests, so it makes it difficult to diagnose." Angioplasty, which involves the insertion of a mildly radioactive tracer, are much more accurate, she noted, but in a small number of cases the test itself can

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Backpack Calendar

A roundup of spring events, from classical concerts to Inuit games

BRITISH COLUMBIA

March 18 in Vancouver 1969-1973, Vancouver Art Gallery. A major retrospective of a decade of innovative art by local and international artists.

March 18-19 A Celebration of Seattle, Crystal Gardens, Victoria. A plant lover's nuptia, with engaging growing displays, native plant exhibits and a seed exchange.

March 18-27 *The Pirates of Penzance*, Queen Elizabeth Theatre, Vancouver. The Vancouver Opera Company stages the Gilbert and Sullivan classic.

March 21-24/41 19 Enigmas Beyond the Great Wall, The Heritage of Genghis Khan, Royal British Columbia Museum, Victoria. More than 280 artifacts from the People's Republic of China illustrate 3,500 years of Inuit-Mingolish history and culture.

ALBERTA

March 25-April 17 Spring in the Middle: Provincial Museum of Alberta, Edmonton. A cultural recreation of a provincial town. Visitors can try on some silks, take overcoats and just a sweater hat.

April 12 In Marriage to Handel, Calgary Philharmonic Orchestra at Jack Singer Concert Hall, Calgary. A concert featuring the celebrated Royal Fireworks, and the choral works *Te Deum* and *Psalms*.

SASKATCHEWAN

March 13-14 Dawnbreakers Opticist Band and Vocal Jazz Festival, Centennial Theatre, Regina. More than 500 musicians converge for the city's 14th annual showcase of big band and Dixieland jazz.

April 14-16 White Horse International Powwow, Regina. A celebration of native crafts and food.

MANITOBA

March 17-18 Tanglefoot in Concert, Centennial Concert Hall, Winnipeg. The renowned pedal-instrument orchestra performs Handel's *Water Music*, Bach's *Concerto for Two Violins in D-minor* and Purcell's *Three for the Theatre Suite*.

March 21-24/41 Through the Eyes of a Child, Winnipeg Art Gallery. A display of imaginative art by 700 Winnipeg-area children.

ONTARIO

April 17-17 Magic Setup Days, Campbellville. The annual event features home-drawn rides to the sugar bush and displays of pioneer sheep production.

March 25-26, April 3-4 Windsor Folk Festival, Windsor. More than 25 acts of singing, dancing, guitar and fiddle. Various children's activities and an exhibition of waterfowl carvings will also be on offer.

April 4-6 Dances Contemporaines de Cote, Harbourfront, Toronto. The 25-member modern dance troupe is known for its powerful athleticism, exhibited at works rooted in African and Spanish traditions.

April 7-9 Underwater Canada '85, Toronto. North America's largest consumer sports exhibition will include a film festival and appearances by well-known T-shirt designers Joe Meliciani and Robert Ballard.

QUEBEC

March 25-26 Brauce Maple Festival, Saint-Georges. A celebration of spring in maple country with street performers, sleigh rides, baby and rivers of maple syrup.

March 24-26 Canadian Freestyle Skiing Championships, Mont-Tremblant. The nation's best compete in aerials, moguls and biathlons.

April 8, 10, 12, 13, 15, 17, 19 *The Barber of Seville*, L'Opera de Montreal. Rossini's classic work, with Renée Brown as Figaro and Lucie Margate as Rosina, is one of her new productions marking the Opera's 15th anniversary season.

Green with envy

Every March, as golfers in most of Canada get ready to dust off their clubs, the greenskeepers who maintain the courses gear up for their busiest time of year. Even as they gather at the Canadian Golf Superintendents Association's annual Turfgrass Conference in Ottawa this week, much of their attention will remain fixed on weather conditions back home.

Soaring temperatures in southern Ontario recently led to the first green, while, course superintendent for the Mississauga Golf and Country Club near Toronto, thinking of as early opening. But his hopes were dashed by a sudden 20-degree temperature drop and a major snowfall. Not only has Mississauga's opening been pushed back to a more typical mid-April, but golfers early in the season may well have to play around some unusual obstacles—large chunks of ice washed onto the fairways by the overflowing Credit River.

In Atlantic Canada, the mild winter

was not necessarily good news for golfers: several winter storms brought rain rather than snow, causing ice damage. Blake Palmer, superintendent of Saint John's Rockwood Park course, usually manages to open around May 1, but this year he fears he may be delayed.

Palmer and Wade can be thankful they are not responsible for the nine-hole course in Pine River, N.W.T., on the south shore of Great Slave Lake. Canceled out of the beach four years ago, the course's original sand greens failed to survive local golfers and were replaced by grass. But the grass kept dying off, as the course switched to artificial greens made of carpet, sand and crushed rubber which permit a mid-May opening date. The season for northern golfers may not be as long as it is in Victoria, where the courses never shut for more than a few days each winter. But at least they can play later-in midsummer, there is still light enough for golf after 11 p.m.



● Golfing in Victoria's golf courses where summer never leaves

NEW BRUNSWICK

March 22 Symphony New Brunswick presents *Off to Harrow*. The acclaimed Canadian artist will perform Elgar's *Cello Concerto*, the *Concerto in The Rhapsody of Paganini* and *Symphony No. 6* by Dvorak.

NOVA SCOTIA

April 7-9 Shows and Jubor, Neptune Theatre, Halifax. After a run in the previous season, the traditional production of one of Shakespeare's most popular plays will go on the road at the Neptune's largest provincial tour in 15 years.

PRINCE EDWARD ISLAND

March 23-26 Women's Senior National Hockey Championships, Summerside. Ten of Canada's top women's teams face

off. The competitors will include many players from the national team, winner of the past three world championships.

NEWFOUNDLAND

April 5-9 Edison's Challenge, Bell Island. An exhibit of new inventions and technologies opens to all budding Edison.

NORTHWEST TERRITORIES

March 23-April 2 Garden Festival, Yellowknife. An eclectic collection of events held on Prince Lake in the city centre, including strolling races and boat races.

YUKON

March 25-26 4th International Curling Bonspiel, Whitehorse. More than 100 teams from British Columbia and Alaska compete for \$13,000 in cash and prizes.

NEXT

A sampling of upcoming diversions

MOVIES

Open *John DeLorenzo* Martin Brando plays a psychologist with a patient (Johnny Depp) who seduces his wife.

Edwards Toronto director Jeremy Pope's first feature sees a kaleidoscope of sex in and around a roller coaster.

Prison A British film about a secretly gay priest who receives a disturbing confession of sexual abuse.

When Night Is Falling Canada's Patricia Kazema directs Henry Cavill as the husband of a teenage girl who falls for a circus lady.

Jefferson In Paris Nick Nolte stars as Thomas Jefferson in another lavish Merchant Ivory production.

VIDEO

The River Walk Mary McCormack rules the rapids in a shallow but fast-paced thriller.

Was Craven's New Nightmare An ingenious postmodern horror film—about making a horror film.

While Music May Change It's a matched rock star in Paul Giamatti's whimsical comedy tale.

The Secret of Green Pigeons Captivate images from the life of a Vietnamese survivor.

It's Pat The Moxie A Saturday Night Live spoof that went straight to video.

BOOKS

Our Game John LeCarré (Penguin). The master spy novelist tells post-Communist Russia with a riveting story of intrigue.

Chlorine to the Blue Garth Drabinsky with Mary McCormack (McClelland & Stewart). Canada's top impressionist recalls his rocky road to fame.

Discoverer of America David Souter (McClelland & Stewart). A Canadian-Canadian-Correspondent with Water Prize-winner offers nine short stories.

Shooting the Kipper Death by Deficit and Other Canadian Myths Linda McGeachy (Mingos). A noted journalist attacks the current fevered trend to deficit-cutting.

Sinclair Neil Renshaw (Doubleday). The mystery writer marks 30 years of the *Inspector Sinclair* series with a tale of a missing woman.

AUDIO

Madness After Lament (NAC). A grandiose set of new recordings of eclectic selections of other people's songs, including Neil Young's *Don't Let It Bring You Down*.

Cover to Cover The Jeff Healey Band (NAC). Another album of covers, this one from a Canadian guitar sensation.

Circle and Light Alex Savelle on Soundblaster. Versatile artist Alex Savelle (Alexandria, Rudy Gyle and others) interprets the songs of a lot of notable.

John Michael John Michael Montgomery (Warner). The singer who became a superstar with *Seven* releases his third album.

Requiem Giuseppe Verdi John Eliot Gardiner, conductor (Polygram). A leading British conductor and period instruments make for a ravishing recording.



Mary McCormack

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devastating personal losses. But Zhang moves elegantly with grace. In one scene, Zhang stumbles, like a Chaplinesque naïf, through a battlefield strewn with corpses. In another, at a hospital where Red Guards have fired all the doctors, an obstetrician is dragged back to a childbirth even as she weeps. Weak lines aside, her poignant blood-soaked face can't be so bloodied that it cannot move.

Throughout the story, the shadow puppets serve as an artful motif. They are an obvious metaphor for the Putsch-and-Judy politics that serve as the film's backdrop. But Zhang's puppet scenes, which usually crowd her elsewhere in the street, is also a kind of cinema—a primitive counterpart of the medium that Zhang has mastered so beautifully.

Queen Margot, based on the historical Dames d'elles, is a colorful melodrama in which the cousins keep getting involved in blood. Unlike *The Day After*, it has no mistle of human malice. *Queen Margot* stars as Marguerite de Valois, Catholic heir to the French throne, who is forced by the cunning Queen Mother (Véra Eady) to marry Huguenot leader Henry of Navarre (Daniel Auteuil) in 1572. Their union is meant to bring peace between Catholics and Protestants, but thousands of Protestants who show up for the wedding are slaughtered. The scenes of carnage, with bodies being dropped into mass graves, are stagily on the verge. The movie's vicious violence also includes throat-slittings, decapitations, stabbings, plungings—and, in one novel sequence, the poisoned King Charles IX (Jean-Baptiste Maunula) is shown in a state of shock.

The usually vicious Marguerite is a nice girl who just wants to make love, not war. She has a torrid affair with a Huguenot hunk named La Mole (Vincent Perez), which involves sleeping off his blood-soaked garments. She also has a magical moment of intimacy with her brother-in-law, the king, Charles IX. (Jean-Baptiste Maunula), a twit who wears a little hair who behaves like a junior his long heron. Everyone in *Queen Margot* desperately needs a shower, except Auteuil, who looks like a cosmetics model. Director Patrice Chéreau's images—Oscar-nominated *Les Enfants du Paradis*—are in the eye, literally. But *Queen Margot*'s overall gem just plain silly.

Battle of Britain is a less lively, more severe, massacre movie. It tells the true story of Britain's dog-fighting Phalanx Dots, a female outcast who championed the low costs in the early 1930s. Much of the film chronicles a brutal series of aerial assaults that began in her childhood and culminated in a horrifying game night orchestrated by a high-class cat. Don became a military aviator. He lost her 1932 surrender in front of 10,000 cheering fans, she was accused of murdering 30 men in a single raid.

Director Sholliha Kuper presents a stately cinematic horror. Motivated by vengeance, she is a revolutionary by default. *Battle of Britain* is even harder to stomach than *Over the Mountains*. Its rugged character is as inhuman as the wild landscape when it was shot. But the film, based on David's great book, tells a compelling story. Released from just last year, *Don*—now a right star entering politics—has discovered her class and discovered the film. As a living legend trying to soothe her rage, she might have been better served by Hollywood.

BRAND L. JOHNSON

A case of infectious terror

OUTBREAK

Directed by Wolfgang PETERSON

Movie producers jumped on the idea faster than microbes to return to the New York Times, which lost a lot of its killer virus from the *Yellow Fever* infecting the planet, two studios raced to make the first big viral thriller. A team led by Robert Redford and Joel Foster won the rights to Peterson's nomination book, but they had to abandon their plans after a real outbreak—Gutierrez, showing Dustin Hoffman—lost their cut.

and in command. Morgan Freeman perhaps the voice of reason, the office man between duty and conscience.

The movie has a biblical effect on the audience. The first major outbreak of the fever was taken place in a movie theater. As an infected person begins coughing uncontrollably, the camera pictures her going away in slow motion through the air into the mouths of spectators. The man finally cracks his way out of the theatre, finally collapsing onto the popcorn counter. It's only, for those watching *Gutierrez* that, after a long cough, sneeze and spew in the theatre takes on sinister overtones.



■ *Gutierrez* (right): battling a runaway virus and military conspiracy

of the gate. Not directly based on *The Hot Zone*, the movie grabs the real and fictional threat of runaway virus fever onto a comfortably familiar suspense formula. It is a thriller that pushes all the obvious buttons, including some grisly clichés, but it works. Outbreak is a gripping, well-paced and suspenseful.

Don Redford and his co-writer, *Philo Russo*, are both experts in infectious-disease control. In the military side, she is the civilian side. When an armed African monkey infects a small town with a deadly and incurable virus, they have to join forces to stop it from spreading. But, as if an outbreak along with a 500-per-cent mortality rate were not vicious enough, the story thrives in a military cover-up masterminded by a ruthless general—cunningly played by a vicious Donald Sutherland. As his sec-

in the end, however, the conflict is less about military bugs than about individual. As Sam Levin joins an action hero's military conspiracy and imposing his will, *Gutierrez* is more exciting than scary. *Gutierrez* has never been so much a thriller as *War of the Worlds*. *Don Good*, in the *Don* of *Don* keeps the infection contained. And the script is peppered with ironic notes. Reporting the news of the fictional virus—Morse—one character says, "It sounds like a perfume one drop and your liver will melt in your arm." *Gutierrez* is, in fact, a cautionary tale for mankind—and for the mass phenomenon that every thriller appears to be. A sequel will be a vector of simple mutation.

B.O.B.

Assessing the damage

Philosophers, broadcasters, artists, filmmakers and performers across the country jitter about the deficit-bashing mood in Ottawa, leashed themselves in the weeks leading up to the landmark Feb. 27 federal budget that they felt a sense of relief as budget day when they first looked at the reductions, which seemed relatively benign. It took a couple of days for the extent of the devastation to become clear—most notably the fact that by 1998, the CBC will be operating with a \$350 million reduction, or one third of its current \$1 billion budget. The reduction is a result of \$275 million in cuts approved by Finance Minister Paul Martin, \$300 million in reductions imposed earlier by the Mulroney government and additional shorthfalls. "A lot of this year's cuts are layered on top of cuts announced in previous budgets, so the cumulative effect is very damaging," says Canadian Censorship of the Arts national director Keith Kelly, whose own broad-based lobby group will suffer from a 20-per-cent funding reduction to national arts service organizations. "We're in the very early days of this, and we're trying to get a handle on the cascades."

Certainly, by 1998, virtually every area of the arts will feel the impact of a projected 36-per-cent cut to the department of Canadian Heritage. The agency's \$2.94-billion portfolio which funds everything from arts and broadcast to senior arts and cultural centres will decrease its spending by \$675 million over three years. As well as the CBC, several other of the 14 major cultural organizations serving the department—including the National Film Board, the National Library and the National Arts Centres—face substantial hits. The budgets of the country's four national museums will also be reduced, by an average of 20 per cent over three years, threatening programs across the country. The \$775-million postal industry—the lifeline of the Canadian magazine industry because it discounts rates paid to subscribers outside those of Montreal—will be reduced by 28 per cent over two years. Other programs were drastically slashed in one fell swoop: two book-publishing funds were cut by 55 per cent in one year.

Meanwhile, the Canadian Council, which supports a broad range of cultural groups and individual artists, received a relatively light 2.5-per-cent, one-year cut to its \$89-million budget. However, after a decade of federal slashing, it announced plans for a scaled-down operation two days after the budget was tabled. The measures include reducing administrative costs from \$22 million to \$12 million and downsizing the Art Bank, which buys and rents out original Canadian works. Under the new plan, the council will raise its \$14-million combined contribution to the budgets of The National Theatre School of Canada and the National Theatre School.

In light of the massive cuts to federal transfer payments and social programs, Ottawa's meeting room in the arts sector is widely seen as a very uneasy negotiating. Indeed, while Heritage projected three-year cuts to 50 per cent, the departments of defence, natural resources and industry will be scaled back in the same period by 11.6 billion, 31.5 billion



Paul Martin's budget has signalled tough times for Canadian culture

and \$1.6 billion respectively. Still, while some politicians portray culture as a fringe activity limited to urban elites, the arts and cultural sectors 2002-2003 employed 690,000 people directly and indirectly, with a \$20.6 billion contribution to GDP.

To meet in the culture sector, the cuts amount to economic shortbread. Says author Pierre Berton, "People can't get into their heads that what you spend on ballets or movies or music, you're investing in the future of the country, the future Karen Kanak, the Wilma Hiltner, who are going to give this country pride—and money. This whole budget is a declaration of dumb leadership, where they think artists are lazy and would be digging ditches instead of painting pictures. And some dumb brain-benders, too, I might add."

Teddlers, established in 1987, invests in domestic film and TV production. Recently, it contributed backing for Alan Emswiler's highly successful drama and the pilot for the TV series *Devil's Peak*. But as a result of Martin's budget, its \$120-million budget will drop 32.2 per cent to one year with more cuts on the horizon and per member revenue of its own deal. Veteran filmmaker Bruce Kirkham, coproducer with Montreal's CNFR Films of blockbuster TV movie *William Miller's Secret*, *The Glass Quagmire* received \$1.2 million of the dramatic \$9.6-million budget from Teddlers. "It plays an absolutely essential role in domestic production, particularly in the early stages when scripts are being developed and



Magazine rack, National Gallery (opposite)
William Miller Secret (top)
about every area of the arts will feel the results
cuts in the department of Canadian Heritage

makers are being put together," says Kirkham. William Miller's Secret was announced last November on CBC and on CTV, drawing 6.3 million viewers in Canada and 42 million in the United States over two nights.

"Teddlers will get their money back from William Miller's Secret," Kirkham points out. But he also notes that Teddlers is "especially critical for young producers and directors trying to establish themselves."

Canadian television productions and, to a lesser extent, film—are increasingly getting grinded slower. Many domestic magazines, however, have to fight hard to hold their own at home. Because Canadian newsstands are dominated by foreign publications, Canadian periodical publishers have successfully become experts in subscription sales. And the postal subsidy, which guarantees reduced mailing rates for magazines and community newspapers, has been an essential aid to the industry. Catherine Karp, president of the Canadian Magazine Publishers Association (CMPA), says that the \$19 million due to be returned from the \$72.5-million fund over two years is a "staggering" blow. *Adèle Reschke*—who will have gone from \$225 million in 1995 to \$26.7 million in early

1997—also says that a new program to replace the subsidy will be built around a greatly reduced base figure—likely by capping the domestic magazine industry.

The sword-wielding (children's) magazines GWE and Chickadee, like most Canadian periodicals, say they depend on the postal subsidy for their continued success. Publisher David Dwyer notes that increased mailing costs mean that publishers have little option but to pass these on to consumers. "We know from experience that if you increase your price by any percentage, the percentage of your readership drops by the same amount," she adds. "We saw that happen with the GAT." Dwyer's magazines, which have a combined circulation of 350,000 in Canada and 15,000 in the United States, are approaching their 25th anniversary. "But it just seems to get harder and harder," Dwyer says. "All those accolades we've won don't seem to translate into bucks on the bottom line."

The story is much the same for book publishing, which derives some of its support from Heritage programs. "We've seen our net per cent in one year," says Bill Hartman, president of the 14-member Association of Canadian Publishers (ACP). The Book Publishing Industry Development Program and the Publishers Distribution Assistance Program together dropped to \$20 million from last year's \$44 million. "It's devastating," adds Hartman. "Some smaller companies will no longer be able to function." Heritage officials give his assessment no warning of the severity of the cuts, he added. "We were completely taken ill guard," he says.

One MCP member that expects to feel the cuts deeply is Caranmore Books, a small literary publisher based in Dunbar, Ont., 40 km east of Ottawa. Established in 1985, Caranmore specializes in adult fiction, a notoriously difficult area in which to profit. Its 45 titles of authors includes New West, whose *Love of the Spirit* won the 1990 Governor General's Literary Award, Charles Farrow, whose *Whisper House* has been nominated for a Scott Oden Book Award in Canada First Novel Award, and Graham Ross, whose short-story collection, *Goreville Blues*, is shortlisted for Ontario's Trillium Award. "These cuts come at a time when paper costs are going up 40 per cent, when there is still a cut in profit on books," says Caranmore publisher Jan Goldstein. But more is at stake than just the chance of lost new firms, she says—small literary presses provide the little-known work young writers build in audience. "We branch new writers, and I think that function is quite critical," she says. "These cuts mean a reduction in the possibility of introducing a fresh new literary voice. You're not so willing to take a chance on something that might have a limited market because of its originality."

Meanwhile, the country's national museums say they may have to cut vital conservation services, including their tax "donations-centred" and smaller institutions are concerned about the 30-per-cent reduction to the Museums Assistance Program (MAP), from \$57.7 million to \$40.2 million. Frank Milgrom, director of the New Brunswick Museum in Saint John, says that MAP, which funds special projects, travelling exhibitions and educational programs accounts for roughly one-third per cent of his institution's \$1.6-million budget. "For us, it's vital," he says, adding that the country also has to assist smaller museums and promote its programs in reach beyond the walls of its building. Last year, using \$200,000 of MAP money, the New Brunswick Museum and four other institutions collaborated on a year-long touring exhibition on Acadian life. Its next stop is scheduled for Caranmore, N.B., in the heart of Acadia. Says Milgrom, "A lot of smaller museums are going to be cut off without this program."

As Ottawa and the provinces coordinate strategically an deficit relief, arts groups are trying to protect their services by citing their contributions to the economy. The Writers' Agency Carol Shields suggests that it is a case for politicians to target the cultural support people are not talking publicly about the intangible rewards of art. "Politicians distrust that vocabulary," she says. "And many in the arts have become cynical about it. It's going to be a real challenge to get the culture to be a level of concern—it's part of our wellbeing. We can have all those things on the table together." With the latest budget, however, the cultural fare will be that much leaner.



Who says Canada is dull?

BY ALLAN FOTHERINGHAM

One of the oldest myths out there in Vancouver is that Canada is the dullist place on earth. The British press dwells on it. Everyone in Washington believes in it. The French in Paris can't believe the Quebec event. They are of course—all of them—not to laugh. As Pierre Berton and Peter Newman have tried to tell us, Canadian history, in fact, is so interesting that not even high-school teachers have managed to dull it.

Our first prime minister and father of the country was so consumed by gin that he used to sneakback while in a campaign podium. Our longest-reigning leader and never married used to commune with his dead mother and his dog. John Diefenbaker used to pretend he was a kerkidder while he was not. Joe Clark lost his underwear. And so on.

The myth of blandness continues today. This is an extremely goofy country, as known as Britain or Yugoslavia. It is only the variety of weather that gives the reputation of tedium.

Nikolai and Cecilia, currently being revived via video cassette, could do justice to the current Quebec scene. What's an first? The separatists, who can't tell us the date of the referendum that will break up the country, now can't decide on the wording of the question so how we are going to break up the country and whether they want to kiss the Queen on the dollar and Canadian passports and the price of eggs and what's on record.

Mr. Bouchard, knowing the separatists can't win with the present polls, wants the vote delayed while Mr. Parsonso, who clearly has a suicidal instinct, seems he wants to proceed this year—sometimes, sometimes, with wording tweaked at some time, a mystery wrapped within a mystery, rather like the ever-unfolding Russian doll.

In Ottawa, the chap who is the finance minister—son of the guy who created the Liberal welfare state in the 1950s—has turned into a Tory and is now down at the tailer being confined for a sleepless nightmare that will allow him into the Albany Club



of Toronto, where all Conservatives go to die. The railways threaten to go on strike, as they always do. The president of the CBC resigns, the only man of principle in Ottawa to do so in recent times because he was upset that cabinet ministers had lied to him. Cabinet ministers lie all the time, as we know, and are suddenly astonished when someone points it out.

If there's anything funnier than what's going on in Canada—the country that is accused of being dull—is the post United States television industry that is closing Ottawa with decreasing its teeny revenues by moving one of its CTV stations from the tube in front of a Canadian station Post-clopfant.

Being abused by the moon. This country dull? The evergreen boffies sitting in Ottawa offices have so triggered up the counting of fish off Newfoundland that they now whiff grapeskin across the bones of

Spanish sheep? Boris Yeltsin in St. Francis Drake? You gotta laugh? Does he know how? Who else in the Liberal cabinet can you recall?

The government of all the people has killed the Crow, thus stopping the railway subsidy that encouraged Prairie farmers to ship their product to rather Thunder Bay and up the St. Lawrence Seaway or to the Pacific ports of British Columbia. This will result in the wheat going down south through the Mississippi to New Orleans. This is regarded as progress.

The Vancouver Canucks, who somehow made it to the Stanley Cup final last year and have the most exciting player in the NHL, in Paul Reinhart, have been swallowed by an American billionaire who could not be bothered to attend the occasion of the announcement. When the Canucks were first allowed into the NHL, they were bought by an American coach, Tom Scullen, who later went to jail for several junkiecrimes. This is regarded as progress.

Most that hail the Canadian population, and two-thirds of English-speaking Canadians, are presently ruled by semi-deme-ocracies in Ontario, British Columbia and Saskatchewan—while the country is moving to the right, following Newt Gingrich. And they think this country is dull!

This is the only country in the world that has two football teams in the same league with the same name. This is the only political jurisdiction known that has a party with the experience of "Progressive Conservative."

It is the only place in the universe—Ottawa—as far as it knows, where you have to go to one place to buy beer and another place to buy any liquid. Dull! Canada!

It cannot be a dull but boring land—after having invented the game of hockey—allowing it to settle into those minor ice hockey of Tampa Bay, San Jose and Anaheim, and now raising the Canadian Football League the tops of wilderness in Memphis, Jackson, Peoria and possibly Selma, not to mention Canton.

Any country with a population of a mere 30 million that has some 40 cabinet ministers while the Yanks, with 260 million can get along somehow with only 22, cannot be described as lush.

This is a unique country, the ruling Liberals have actually conserved, while their only opposition is a Quebec ramp that wants to break up the country and a Western ramp that tries to protect Quebec's dairy cows.

Dull? You've got to be kidding.

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